

AGENDA

Ways and Means Committee

Wednesday, April 14, 2010

One and one-half hours after adjournment in Room 521 Blatt Building

I. General Government, Personnel and Benefits

(Neilson, Kirsh, M. Smith, White – Staff Liaison – Katie Owen)

- A. House Bill 3246 – Participation of SC Athletic Coaches Assoc to the State Health Plan
- B. Senate Bill 1146 - Payment Of Death Benefits In Retirement Plans Administered By The SC Retirement Systems
- C. Senate Bill 1145 - The Date Application For Disability Retirement Must Be Filed With The SC Retirement System
- D. Senate Bill 906 - Service Credit In The Retirement System For Judges And Solicitors
- E. House Bill 4599 - In-State Tuition For Military Personnel And Their Dependents

II. Sales and Income Tax

(Littlejohn, Battle, Edge, Lucas, Simrill – Staff Liaison – Kara Corbett)

- A. House Bill 3768 – Construction Contract Exemption
- B. House Bill 3122 – Estimating the Tax Liability of a Payer When They Did Not Pay in the Prior Year

III. Economic Development, Capital Improvement and Other Taxes

(Herbkersman, Bingham, Cobb-Hunter, Ott, R. Smith – Staff Liaison – Marc Aquino)

- A. Senate Bill 728 - Textiles Community Revitalization Tax Credits
- B. Senate Bill 1066 - SC Manufacturers Retention and Growth Tax Credit
- C. Senate Bill 1131 - Fee In Lieu For Nuclear Facilities and Industrial Development
- D. House Bill 4245 - Constitutional Amendment Authorizing Charitable Organizations To Conduct Raffles
- E. House Bill 4267 - Social Gambling And Lotteries
- F. House Bill 4270 - Constitutional Amendment Authorizing Charitable Organizations To Conduct Raffles
- G. House Bill 4506 - Farmer's Market

IV. Property Tax

(Merrill, Clyburn, Neal, Rice, Young – Staff Liaison – Ben Twilley)

- A. House Bill 4269 - Conservation Bank Act
- B. House Bill 4430 - Municipalities In Overlapping Counties

V. License, Fees, Insurance Tax and Other Charges

(Barfield, Kennedy, Loftis, Pitts, Limehouse - Staff Liaison - Emily Heatwole)

- A. House Bill 4717 - Definition of "School Operating"
- B. House Bill 3748 - Calculation of the Index of Taxpaying Ability
- C. House Bill 4222 - Conducting of Raffles by Charitable Organizations

Bills passed favorably from subcommittee meetings of April 13th may be added to this agenda. Other bills may be added. The order noted above is subject to change.

REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE

(Neilson, Kirsh, GM Smith & White - Staff Contact: Rena Grant)

HOUSE BILL 3246

H. 3246 -- Reps. Pinson and Hayes: A BILL TO AMEND SECTION 1-11-720, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO ENTITIES WHOSE EMPLOYEES, RETIREES, AND THEIR DEPENDENTS ARE ELIGIBLE TO PARTICIPATE IN THE STATE HEALTH AND DENTAL INSURANCE PLANS, SO AS TO EXTEND THIS ELIGIBILITY TO THE SOUTH CAROLINA ATHLETIC COACHES ASSOCIATION.

Summary of Bill:

This bill provides that direct employees of the South Carolina Athletic Coaches Association are eligible to participate in the state health and dental insurance plans.

Introduced: 1/13/2009

Received by Ways and Means: 1/13/2009

Estimated Fiscal Impact:

The Employee Insurance Program of the Budget and Control Board indicates there is no fiscal impact to the program with the adoption of this legislation. There is no fiscal impact on Federal and/or Other funds.

Subcommittee Recommendation: Favorable

Full Committee Recommendation: Pending

Other Notes/Comments:

FISCAL IMPACT STATEMENT ON BILL NO. **H.3246**

(Doc. No. 11102bb09.docx)

TO: The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: K. Earle Powell
DATE: April 7, 2009 SBD: 2009431

AUTHOR: Representative Pinson PRIMARY CODE CITE: 1-11-720
SUBJECT: State Health and Dental Plans

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

This Bill amends the Code of Laws of South Carolina, 1976, to provide that direct employees of the South Carolina Athletic Coaches Association are eligible to participate in the state health and dental insurance plans.

EXPLANATION OF IMPACT:

The Employee Insurance Program of the Budget and Control Board indicates there is no fiscal impact to the program with the adoption of this legislation. There is no fiscal impact on Federal and/or Other funds.

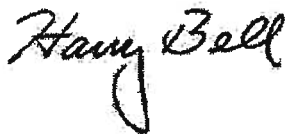
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

South Carolina General Assembly
118th Session, 2009-2010

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~~Indicates Matter Stricken~~

Indicates New Matter

H. 3246

STATUS INFORMATION

General Bill

Sponsors: Reps. Pinson and Hayes

Document Path: l:\council\bill\ncd\11102bb09.docx

Companion/Similar bill(s): 417, 538

Introduced in the House on January 13, 2009

Currently residing in the House Committee on **Ways and Means**

Summary: State health and dental insurance plans

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
1/13/2009	House	Introduced and read first time HJ-101
1/13/2009	House	Referred to Committee on Ways and Means HJ-101

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VERSIONS OF THIS BILL

1/13/2009

(Text matches printed bills. Document has been reformatted to meet World Wide Web specifications.)

A BILL

TO AMEND SECTION 1-11-720, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO ENTITIES WHOSE EMPLOYEES, RETIREES, AND THEIR DEPENDENTS ARE ELIGIBLE TO PARTICIPATE IN THE STATE HEALTH AND DENTAL INSURANCE PLANS, SO AS TO EXTEND THIS ELIGIBILITY TO THE SOUTH CAROLINA ATHLETIC COACHES ASSOCIATION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 1-11-720(A) of the 1976 Code, as last amended by Act 353 of 2008, is further amended by adding an appropriately numbered item at the end to read:

"() the South Carolina Athletic Coaches Association; except that for purposes of this item, only direct employees of the South Carolina Athletic Coaches Association are eligible to participate in the state health and dental insurance plans."

SECTION 2. This act takes effect upon approval by the Governor.

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This web page was last updated on March 10, 2009 at 3:40 PM

REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE

(Neilson, Kirsh, GM Smith & White - Staff Contact: Katie Owen)

SENATE BILL 1146

S. 1146-- Senator Alexander: A BILL TO AMEND SECTIONS 9-1-1770, 9-1-1775, 9-8-110, 9-9-100, 9-11-120, 9-11-125, AND 9-11-140 OF THE 1976 CODE, RELATING TO THE PAYMENT OF DEATH BENEFITS IN RETIREMENT PLANS ADMINISTERED BY THE SOUTH CAROLINA RETIREMENT SYSTEMS, TO REPEAL CERTAIN DUTIES AND RESPONSIBILITIES OF THE BOARD, TO PROVIDE THAT BENEFITS PAID PURSUANT TO THE ACCIDENTAL DEATH INSURANCE BENEFIT SHALL NOT BE TREATED AS A LIFE INSURANCE BENEFIT, AND TO PROVIDE THAT ADJUSTMENTS TO BENEFITS SHALL BE MADE IN THE MANNER PROVIDED IN SECTION 9-11-310.

Summary of Bill:

This bill revises provisions relating to the payment of death benefits in retirement plans administered by the South Carolina Retirement Systems, to: repeal certain duties and responsibilities of the board; provide that benefits paid pursuant to the accidental death insurance benefit shall not be treated as a life insurance benefit; and, provide for the manner in which adjustments to benefits shall be made.

Introduced: 2/24/2010

Received by Ways and Means: 2/24/2010

Estimated Fiscal Impact:

Per the SC Retirement Systems, there is no actuarial impact to the System with the adoption of this bill.

Subcommittee Recommendation:

Favorable as amended

Full Committee Recommendation:

Other Notes/Comments:

An amendment was adopted in subcommittee that provides 'clean up' terminology.

FISCAL IMPACT STATEMENT ON BILL NO. **S.1146**

(Doc. No. 010reti.ebd.tca.docx)

TO:	The Honorable Hugh Leatherman, Chairman, Senate Finance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	K. Earle Powell		
DATE:	February 19, 2010	SBD:	2010094

AUTHOR:	Senator Alexander	PRIMARY CODE CITE:	9-1-1775
SUBJECT:	SC Retirement System		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 1146 amends the Code of Laws of South Carolina, 1976, relating to the payment of death benefits in retirement plans administered by the S.C. Retirement Systems. The Bill repeals certain duties and responsibilities of the Board and provides that benefits paid pursuant to the accidental death insurance benefit shall not be treated as a life insurance benefit.

EXPLANATION OF IMPACT:

State Budget and Control Board

The S.C. Retirement System reports that there is no actuarial impact to the System with the adoption of this Bill.

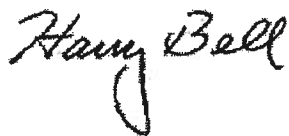
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

CONE/MELTON
APRIL 8, 2010

CLERK OF THE HOUSE

THE WAYS AND MEANS COMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO S. 1146
(COUNCIL\BBM\9701HTC10):

REFERENCE IS TO THE BILL AS PASSED BY THE SENATE.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING ALL AFTER THE ENACTING WORDS AND
INSERTING:**

**/ SECTION 1. SUBSECTIONS (D) AND (E) OF
SECTION 9-1-1770 OF THE 1976 CODE, AS LAST
AMENDED BY ACT 153 OF 2005, ARE FURTHER
AMENDED TO READ:**

**~~“(D) THE BOARD MAY TAKE THE ACTION
NECESSARY TO PROVIDE THE DEATH BENEFIT~~**

~~UNDER THIS SECTION IN THE FORM OF GROUP LIFE INSURANCE UPON A DETERMINATION THAT TO DO SO WOULD GUARANTEE A MORE FAVORABLE TAX TREATMENT OF THE BENEFIT TO BENEFICIARIES TO WHOM THE BENEFIT IS PAYABLE.~~ **RESERVED**

(E) UPON THE DEATH OF A RETIRED MEMBER WHO IS NOT A RETIRED CONTRIBUTING MEMBER AFTER DECEMBER 31, 2000, THERE MUST BE PAID TO THE DESIGNATED BENEFICIARY OR BENEFICIARIES, IF LIVING AT THE TIME OF THE RETIRED MEMBER'S DEATH, OTHERWISE TO THE RETIRED MEMBER'S ESTATE, A ~~LIFE INSURANCE~~ BENEFIT OF TWO THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TEN YEARS OF CREDITABLE SERVICE BUT LESS THAN TWENTY YEARS, FOUR THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TWENTY YEARS OF CREDITABLE SERVICE BUT LESS THAN TWENTY-EIGHT, AND SIX THOUSAND DOLLARS IF THE RETIRED MEMBER HAD AT LEAST TWENTY-EIGHT YEARS OF CREDITABLE SERVICE

AT THE TIME OF RETIREMENT, IF THE RETIRED MEMBER'S MOST RECENT EMPLOYER, BEFORE THE MEMBER'S RETIREMENT, IS COVERED BY THE ~~GROUP LIFE INSURANCE PROGRAM~~ PRERETIREMENT DEATH BENEFIT PROGRAM."

SECTION 2. SECTION 9-1-1775 OF THE 1976 CODE, AS ADDED BY ACT 311 OF 2008, IS AMENDED TO READ:

"SECTION 9-1-1775. (A) THE ~~GROUP LIFE INSURANCE~~ DEATH BENEFIT PLAN FOR MEMBERS OF THE SOUTH CAROLINA RETIREMENT SYSTEM, HEREINAFTER REFERRED TO AS THE 'PLAN', IS ~~HEREBY~~ ESTABLISHED AND ~~CREATED~~, FOR THE PURPOSE OF PROVIDING ~~GROUP LIFE INSURANCE~~ FOR THE PAYMENT OF THE BENEFITS PROVIDED BY SECTION 9-1-1770 ~~OF THE LAWS GOVERNING SAID SYSTEM.~~

(B) A SEPARATE FUND, TO BE KNOWN AS THE ~~GROUP LIFE INSURANCE~~ DEATH BENEFIT PLAN RESERVE FUND, IS ~~HEREBY~~ ESTABLISHED WITHIN THE SOUTH CAROLINA RETIREMENT SYSTEM, HEREINAFTER REFERRED TO AS THE 'RETIREMENT SYSTEM', TO BE HELD IN TRUST BY THE BOARD. THE FUND SHALL CONSIST OF ALL

~~PREMIUMS~~ CONTRIBUTIONS PAID BY THE EMPLOYERS AND OTHER MONIES RECEIVED AND PAID INTO THE FUND FOR ~~GROUP TERM LIFE INSURANCE~~ DEATH BENEFIT PURPOSES, AND OF THE INVESTMENT EARNINGS ~~UPON SUCH~~ ON THESE MONIES, AND ~~SHALL~~ MUST BE USED ONLY TO PAY THE ~~GROUP TERM LIFE INSURANCE~~ DEATH BENEFITS PRESCRIBED BY SUBSECTION (C). CONCURRENT WITH THE DETERMINATION OF THE INITIAL LIABILITY OF THE PLAN FOR THE BALANCE OF THE FISCAL YEAR ON AND AFTER THE EFFECTIVE DATE OF ~~INSURANCE~~ THE BENEFIT, FOR THE ~~GROUP TERM LIFE INSURANCE~~ DEATH BENEFIT PROVIDED AND TO BE PAID FOR PURSUANT TO THIS PLAN, THERE ~~SHALL~~ MUST BE SEGREGATED AND TRANSFERRED FROM THE EMPLOYER ANNUITY ACCUMULATION FUND OF THE RETIREMENT SYSTEM TO THE RESERVE FUND CREATED BY THIS SECTION ~~SUCH~~ THE AMOUNTS ~~AS SHALL BE~~ DETERMINED BY THE ACTUARY TO BE NECESSARY TO PAY ANTICIPATED ~~GROUP TERM LIFE INSURANCE~~ DEATH BENEFIT CLAIMS. SUBSEQUENT SEGREGATIONS AND TRANSFERS ~~SHALL~~ MUST BE MADE AS ~~SHALL BE~~ REQUIRED TO PAY THE ~~INSURANCE~~ DEATH BENEFIT PRESCRIBED BY SUBSECTION (C) FROM THE RESERVE FUND PROVIDED BY THIS SECTION.

(C) ~~IN THE EVENT OF~~ AT THE DEATH OF A MEMBER WHO HAS MET THE ELIGIBILITY REQUIREMENTS SET FORTH IN SECTION 9-1-1770, ~~ON OR AFTER THE EFFECTIVE DATE OF INSURANCE,~~ AN AMOUNT OF ~~INSURANCE~~ A BENEFIT EQUAL TO THE DEATH BENEFIT PROVIDED BY SECTION 9-1-1770 ~~SHALL~~ MUST BE PAID TO THE PERSON NOMINATED BY THE MEMBER IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9-1-1770 OR TO THE MEMBER'S ESTATE.

(D) THE ACTUARY SHALL INVESTIGATE THE CLAIM EXPERIENCE OF THE PLAN AS PROVIDED BY SECTION 9-1-250. ON THE BASIS OF ~~SUCH~~ THESE INVESTIGATIONS AND UPON THE RECOMMENDATION OF THE ACTUARY, AS PROVIDED IN SECTION 9-1-1210, THE BOARD SHALL CERTIFY THE ~~PREMIUM~~ CONTRIBUTION RATES ~~COMPUTED TO BE~~ NECESSARY TO FUND THE ~~GROUP TERM LIFE INSURANCE~~ DEATH

BENEFIT AUTHORIZED TO BE PAID BY THE PLAN. AS SOON AS PRACTICABLE AFTER THE CLOSE OF EACH FISCAL YEAR, THE BOARD SHALL DETERMINE THE PREMIUM CONTRIBUTION WHICH THE EMPLOYERS PARTICIPATING IN THE PLAN ARE REQUIRED TO PAY INTO THE RESERVE FUND TO DISCHARGE THE OBLIGATIONS OF THE PLAN FOR THE PAST FISCAL YEAR.

(E) EACH QUALIFIED MEMBER OF THE RETIREMENT SYSTEM IS TO BE ~~INSURED~~ COVERED AS PROVIDED ~~HEREIN~~ IN THIS SECTION EFFECTIVE COMMENCING AS OF JUNE 19, 1973.”

SECTION 3. SECTION 9-8-110 OF THE 1976 CODE, AS LAST AMENDED BY ACT 112 OF 2007, IS FURTHER AMENDED TO READ:

“SECTION 9-8-110. (1) EXCEPT AS PROVIDED IN SUBSECTIONS (2) AND (3) OF THIS SECTION, UPON THE DEATH OF ANY MEMBER OF THE SYSTEM, A LUMP SUM AMOUNT MUST BE PAID TO THE PERSONS THE MEMBER NOMINATED BY WRITTEN DESIGNATION, FILED WITH THE BOARD, OTHERWISE TO HIS ESTATE. THIS AMOUNT MUST BE EQUAL TO THE AMOUNT OF THE MEMBER’S ACCUMULATED CONTRIBUTIONS. AN ACTIVE CONTRIBUTING MEMBER MAKING THE NOMINATION PROVIDED UNDER THIS SECTION ALSO MAY NAME SECONDARY BENEFICIARIES IN THE SAME MANNER THAT BENEFICIARIES ARE NAMED. A SECONDARY BENEFICIARY HAS NO RIGHTS UNDER THIS CHAPTER UNLESS ALL BENEFICIARIES NOMINATED BY THE MEMBER PREDECEASE THE MEMBER AND THE MEMBER’S DEATH OCCURS WHILE IN SERVICE. IN THIS INSTANCE, A SECONDARY BENEFICIARY IS CONSIDERED THE MEMBER’S BENEFICIARY FOR PURPOSES OF THIS SECTION.

(2) UNLESS A MARRIED MEMBER HAS DESIGNATED A BENEFICIARY OTHER THAN HIS SPOUSE IN ACCORDANCE WITH SUBSECTION (1), UPON HIS DEATH IN SERVICE BEFORE RETIREMENT AN ALLOWANCE EQUAL TO ONE-THIRD OF THE ALLOWANCE WHICH WOULD HAVE BEEN PAYABLE TO HIM, IF HE WAS ELIGIBLE TO RETIRE ON HIS DATE OF DEATH

NOTWITHSTANDING THE VESTING REQUIREMENT OF SECTION 9-8-50(E)(1) AND AS IF HE HAD RETIRED ON THE DATE OF HIS DEATH, MUST BE PAID TO HIS SURVIVING SPOUSE UNTIL HER DEATH. THIS ALLOWANCE IS PAYABLE IN LIEU OF THE LUMP SUM AMOUNT PAYABLE IN ACCORDANCE WITH SUBSECTION (1). UPON THE DEATH OF A RETIRED MEMBER WHO HAS NOT DESIGNATED A BENEFICIARY OTHER THAN A SPOUSE AN ALLOWANCE EQUAL TO ONE-THIRD OF THE ALLOWANCE WHICH WOULD HAVE BEEN PAYABLE TO HIM, MUST BE PAID TO THE SURVIVING SPOUSE UNTIL DEATH. FOR PURPOSES OF THIS SUBSECTION, 'RETIRED MEMBER' INCLUDES THOSE FORMER JUDGES AND SOLICITORS WHO ARE BENEFICIARIES PURSUANT TO SUBSECTION (4) OF SECTION 9-8-60.

(3) IF A MEMBER DIES WHILE IN THE SERVICE OF THE STATE, WHETHER AS A JUDGE, SOLICITOR, OR CIRCUIT PUBLIC DEFENDER OR OTHERWISE, AND EITHER IS NOT MARRIED OR HAS DESIGNATED A BENEFICIARY OTHER THAN HIS SURVIVING SPOUSE, AN ALLOWANCE IN LIEU OF THE LUMP SUM PROVIDED IN SUBSECTION (1) IS PAYABLE TO THE PERSON HE NOMINATED BY WRITTEN DESIGNATION IN ACCORDANCE WITH SUBSECTION (1) EQUAL TO THE AMOUNT WHICH WOULD HAVE BEEN PAYABLE TO THE PERSON AS IF THE DECEASED MEMBER HAD RETIRED AT THE TIME OF HIS DEATH AND HAD MADE AN EFFECTIVE ELECTION UNDER SECTION 9-8-70 NOMINATING THE PERSON AS HIS CONTINGENT BENEFICIARY.

(4) UPON THE DEATH OF AN UNMARRIED BENEFICIARY WHO HAS NOT ELECTED THE OPTIONAL FORM OF ALLOWANCE UNDER SECTION 9-8-70, A LUMP SUM AMOUNT ~~SHALL~~ MUST BE PAID TO SUCH THE PERSON AS HE ~~SHALL HAVE~~ NOMINATED BY WRITTEN DESIGNATION IN ACCORDANCE WITH SUBSECTION (1), OTHERWISE TO HIS ESTATE. SUCH THE AMOUNT ~~SHALL~~ MUST BE EQUAL TO THE EXCESS, IF ANY, OF HIS ACCUMULATED CONTRIBUTIONS AT THE TIME HIS ALLOWANCE COMMENCED OVER THE SUM OF THE RETIREMENT ALLOWANCE PAYMENTS MADE TO HIM.

(5) UPON RECEIPT OF PROOF, SATISFACTORY TO THE BOARD, OF THE DEATH OF A MEMBER IN SERVICE AS A JUDGE, SOLICITOR, OR CIRCUIT PUBLIC DEFENDER WHO HAD COMPLETED AT LEAST ONE FULL YEAR OF CREDITED SERVICE IN THE SYSTEM OR OF THE DEATH OF A MEMBER IN SERVICE AS A RESULT OF AN INJURY ARISING OUT OF AND IN THE COURSE OF THE PERFORMANCE OF HIS DUTIES REGARDLESS OF LENGTH OF MEMBERSHIP, THERE MUST BE PAID TO HIS SPOUSE UNLESS HE HAS NOMINATED A BENEFICIARY BY WRITTEN DESIGNATION FILED WITH THE BOARD, IF THE PERSON IS LIVING AT THE TIME OF THE MEMBER'S DEATH, OTHERWISE TO THE MEMBER'S ESTATE, A DEATH BENEFIT EQUAL TO THE ANNUAL COMPENSATION OF THE MEMBER AT THE TIME HIS DEATH OCCURS. THE BENEFIT MUST BE PAYABLE APART AND SEPARATE FROM THE PAYMENT OF THE ALLOWANCE, OR THE LUMP SUM AMOUNT IN LIEU THEREOF, PURSUANT TO THE PROVISIONS OF SUBSECTION (1), (2), OR (3) OF THIS SECTION. A MEMBER MAY DESIGNATE HIS ESTATE TO RECEIVE THIS DEATH BENEFIT IN LIEU OF HIS SPOUSE, OR OTHER BENEFICIARY NOMINATED IN SUBSECTION (1). FOR PURPOSES OF THIS SUBSECTION, A MEMBER IS CONSIDERED TO BE IN SERVICE AT THE DATE OF HIS DEATH IF HIS LAST DAY OF EARNED SERVICE CREDIT AS A JUDGE, SOLICITOR, OR CIRCUIT PUBLIC DEFENDER OCCURRED NOT MORE THAN NINETY DAYS BEFORE HIS DEATH AND HE HAS NOT RETIRED OR WITHDRAWN CONTRIBUTIONS.

~~(6) THE BOARD MAY TAKE SUCH ACTION AS MAY BE NECESSARY TO PROVIDE THE DEATH BENEFIT UNDER THIS SECTION IN THE FORM OF GROUP LIFE INSURANCE UPON A DETERMINATION THAT TO DO SO WOULD GUARANTEE A MORE FAVORABLE TAX TREATMENT OF THE BENEFIT TO BENEFICIARIES TO WHOM THE BENEFIT IS PAYABLE.~~
RESERVED

(7) UPON THE DEATH OF A RETIRED MEMBER ON OR AFTER JULY 1, 1985, THERE MUST BE PAID TO THE DESIGNATED BENEFICIARY OR BENEFICIARIES, IF LIVING AT THE TIME OF THE RETIRED MEMBER'S DEATH, OTHERWISE TO THE RETIRED MEMBER'S ESTATE, A DEATH

BENEFIT OF ONE THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TEN YEARS OF CREDITABLE SERVICE BUT LESS THAN TWENTY YEARS, TWO THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TWENTY YEARS OF CREDITABLE SERVICE BUT LESS THAN THIRTY, AND THREE THOUSAND DOLLARS IF THE RETIRED MEMBER HAD AT LEAST THIRTY YEARS OF CREDITABLE SERVICE AT THE TIME OF RETIREMENT.”

SECTION 4. SECTION 9-9-100 OF THE 1976 CODE, AS LAST AMENDED BY ACT 139 OF 1995, IS FURTHER AMENDED TO READ:

“SECTION 9-9-100. (1) UPON THE DEATH OF A MEMBER OF THE SYSTEM, A LUMP SUM AMOUNT MUST BE PAID TO THE PERSON THE MEMBER NOMINATED BY WRITTEN DESIGNATION, FILED WITH THE BOARD, OTHERWISE TO THE MEMBER’S ESTATE. THIS LUMP SUM AMOUNT MUST BE EQUAL TO THE AMOUNT OF THE MEMBER’S ACCUMULATED CONTRIBUTIONS. AN ACTIVE CONTRIBUTING MEMBER MAKING THE NOMINATION PROVIDED UNDER THIS ITEM ALSO MAY NAME CONTINGENT BENEFICIARIES IN THE SAME MANNER THAT BENEFICIARIES ARE NAMED. A CONTINGENT BENEFICIARY HAS NO RIGHTS UNDER THIS CHAPTER UNLESS ALL BENEFICIARIES NOMINATED BY THE MEMBER HAVE PREDECEASED THE MEMBER AND THE MEMBER’S DEATH OCCURS WHILE IN SERVICE. IN THIS INSTANCE, A CONTINGENT BENEFICIARY IS CONSIDERED THE MEMBER’S BENEFICIARY FOR PURPOSES OF THIS ITEM AND ITEM (3) OF THIS SECTION, IF APPLICABLE.

(2) UPON THE DEATH OF A RETIRED MEMBER A LUMP SUM AMOUNT MUST BE PAID TO THE PERSON HE HAS LAST NOMINATED BY WRITTEN DESIGNATION, DULY ACKNOWLEDGED AND FILED WITH THE ~~BOARD~~ BOARD, OTHERWISE TO HIS ESTATE. THE LUMP SUM MUST BE EQUAL TO THE EXCESS, IF ANY, OF HIS TOTAL ACCUMULATED CONTRIBUTIONS AT THE TIME HIS ALLOWANCE COMMENCED OVER THE SUM OF THE RETIREMENT ALLOWANCE PAYMENTS MADE TO HIM, AND TO HIS

DESIGNATED BENEFICIARY UNDER OPTIONS 1, 2, AND 3 OF SECTION 9-9-70, DURING THEIR LIFETIMES.

(3) NOTWITHSTANDING ANYTHING ~~HEREIN~~ IN THIS SECTION TO THE CONTRARY, IF A MEMBER DIES AFTER HE HAS ATTAINED AGE SIXTY OR HAS COMPLETED FIFTEEN YEARS OF CREDITABLE SERVICE AND DEATH OCCURS IN SERVICE, THE PERSON NOMINATED BY HIM TO RECEIVE THE LUMP SUM AMOUNT IN SUBSECTION (1) ABOVE MAY ELECT TO RECEIVE, IN LIEU OF ~~SUCH~~ THAT LUMP SUM PAYMENT, AN ALLOWANCE FOR LIFE IN THE SAME AMOUNT AS IF THE DECEASED MEMBER OF THE ~~SYSTEM~~ SYSTEM HAD RETIRED AT THE TIME OF HIS DEATH AND HAD NAMED ~~SUCH~~ THE PERSON AS CONTINGENT BENEFICIARY UNDER OPTION 1 OF SECTION 9-9-70. ~~ANY~~ A PERSON OTHERWISE ELIGIBLE UNDER THIS SUBSECTION TO ELECT TO RECEIVE AN ALLOWANCE WHO HAD ATTAINED AGE SIXTY-FIVE OR AFTER THE ACCUMULATION OF THIRTY YEARS OF CREDITABLE SERVICE OR AFTER ATTAINMENT OF AGE SIXTY WITH TWENTY OR MORE YEARS OF CREDITABLE SERVICE BUT WHO HAS RECEIVED A REFUND OF THE MEMBER'S ACCUMULATED CONTRIBUTION UNDER THIS SECTION MAY, UPON REPAYMENT OF THE REFUND TO THE ~~SYSTEM~~ SYSTEM IN A SINGLE SUM, MAKE THE ELECTION PROVIDED ~~FOR~~ IN THIS SECTION. THE MONTHLY PAYMENTS UNDER OPTION 1 TO ~~SUCH~~ THE PERSON ~~SHALL~~ MUST DATE FROM THE TIME OF THE REPAYMENT OF THE ACCUMULATED CONTRIBUTIONS TO THE ~~SYSTEM~~ SYSTEM.

(4) UPON RECEIPT OF PROOF, SATISFACTORY TO THE BOARD, OF THE DEATH, AFTER JUNE 30, 1969, OF A MEMBER OF THE SYSTEM THEN IN SERVICE AS A MEMBER OF THE GENERAL ASSEMBLY WHO HAD COMPLETED AT LEAST ONE FULL YEAR OF MEMBERSHIP IN THE SYSTEM OR OF THE DEATH OF AN IN-SERVICE MEMBER AS A RESULT OF AN INJURY ARISING OUT OF AND IN THE COURSE OF THE PERFORMANCE OF HIS DUTIES REGARDLESS OF LENGTH OF MEMBERSHIP, THERE MUST BE PAID TO THE PERSON HE NOMINATED FOR THE REFUND OF HIS ACCUMULATED CONTRIBUTIONS, UNLESS HE HAS NOMINATED A

DIFFERENT BENEFICIARY BY WRITTEN DESIGNATION FILED WITH THE BOARD, PURSUANT TO SECTION 9-9-90, IF THE PERSON IS LIVING AT THE TIME OF THE MEMBER'S DEATH, OTHERWISE TO THE MEMBER'S ESTATE, A DEATH BENEFIT EQUAL TO THE ANNUAL EARNABLE COMPENSATION OF THE MEMBER AT THE TIME HIS DEATH OCCURS. THE DEATH BENEFIT IS PAYABLE APART AND SEPARATE FROM THE PAYMENT OF THE LUMP SUM AMOUNT, OR THE ALLOWANCE IN LIEU OF IT, PURSUANT TO SUBSECTIONS (1) AND (3). FOR PURPOSES OF THIS SUBSECTION, A MEMBER IS CONSIDERED TO BE IN SERVICE AT THE DATE OF HIS DEATH IF HIS LAST DAY OF EARNED SERVICE CREDIT AS A MEMBER OF THE GENERAL ASSEMBLY OCCURRED NOT MORE THAN NINETY DAYS BEFORE THE DATE OF HIS DEATH AND HE HAS NOT RETIRED OR WITHDRAWN CONTRIBUTIONS.

~~THE BOARD IS AUTHORIZED TO TAKE SUCH ACTION AS MAY BE NECESSARY TO PROVIDE THE DEATH BENEFIT UNDER THIS SECTION IN THE FORM OF GROUP LIFE INSURANCE UPON A DETERMINATION THAT TO DO SO WOULD GUARANTEE A MORE FAVORABLE TAX TREATMENT OF THE BENEFIT TO BENEFICIARIES TO WHOM SUCH BENEFIT IS PAYABLE.~~

(5) UPON THE DEATH OF A RETIRED MEMBER ON OR AFTER JULY 1, 1985, THERE MUST BE PAID TO THE DESIGNATED BENEFICIARY OR BENEFICIARIES, IF LIVING AT THE TIME OF THE RETIRED MEMBER'S DEATH, OTHERWISE TO THE RETIRED MEMBER'S ESTATE, A DEATH BENEFIT OF ONE THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TEN YEARS OF CREDITABLE SERVICE BUT LESS THAN TWENTY YEARS, TWO THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TWENTY YEARS OF CREDITABLE SERVICE BUT LESS THAN THIRTY, AND THREE THOUSAND DOLLARS IF THE RETIRED MEMBER HAD AT LEAST THIRTY YEARS OF CREDITABLE SERVICE AT THE TIME OF RETIREMENT."

SECTION 5. SUBSECTIONS (E) AND (F) OF SECTION 9-11-120 OF THE 1976 CODE, AS LAST AMENDED BY ACT 153 OF 2005, ARE FURTHER AMENDED TO READ:

~~“(E) THE BOARD MAY TAKE THE ACTION NECESSARY TO PROVIDE THE DEATH BENEFITS UNDER THIS SECTION IN THE FORM OF GROUP LIFE INSURANCE UPON A DETERMINATION THAT TO DO SO WOULD GUARANTEE A MORE FAVORABLE TAX TREATMENT OF THE BENEFIT TO BENEFICIARIES TO WHOM THE BENEFIT IS PAYABLE. RESERVED~~

(F) UPON THE DEATH OF A RETIRED MEMBER ON OR AFTER JULY 1, 2000, THERE MUST BE PAID TO THE DESIGNATED BENEFICIARY OR BENEFICIARIES, IF LIVING AT THE TIME OF THE RETIRED MEMBER’S DEATH, OTHERWISE TO THE RETIRED MEMBER’S ESTATE, A LIFE INSURANCE BENEFIT OF TWO THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TEN YEARS OF CREDITABLE SERVICE BUT LESS THAN TWENTY YEARS, FOUR THOUSAND DOLLARS IF THE RETIRED MEMBER HAD TWENTY YEARS OF CREDITABLE SERVICE BUT LESS THAN TWENTY-FIVE, AND SIX THOUSAND DOLLARS IF THE RETIRED MEMBER HAD AT LEAST TWENTY-FIVE YEARS OF CREDITABLE SERVICE AT THE TIME OF RETIREMENT, IF THE RETIRED MEMBER’S MOST RECENT EMPLOYER PRIOR TO RETIREMENT IS COVERED BY THE GROUP LIFE INSURANCE PROGRAM PRERETIREMENT DEATH BENEFIT PROGRAM.”

SECTION 6. SECTION 9-11-125 OF THE 1976 CODE, AS ADDED BY ACT 311 OF 2008, IS FURTHER AMENDED TO READ:

“SECTION 9-11-125. (A) THE GROUP LIFE INSURANCE DEATH BENEFIT PLAN FOR MEMBERS OF THE SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM, HEREINAFTER REFERRED TO AS THE ‘PLAN’, IS ~~HEREBY~~ ESTABLISHED AND CREATED, FOR THE PURPOSE OF PROVIDING ~~GROUP LIFE INSURANCE~~ FOR THE PAYMENT OF THE BENEFITS PROVIDED BY SECTION 9-11-120 OF THE LAWS GOVERNING SAID SYSTEM.

(B) A SEPARATE FUND, TO BE KNOWN AS THE ~~GROUP-LIFE INSURANCE~~ DEATH BENEFIT PLAN RESERVE FUND, IS HEREBY ESTABLISHED WITHIN THE SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM, HEREINAFTER REFERRED TO AS THE 'RETIREMENT SYSTEM', TO BE HELD IN TRUST BY THE BOARD. THE FUND SHALL CONSIST OF ALL ~~PREMIUMS~~ CONTRIBUTIONS PAID BY THE EMPLOYERS AND OTHER MONIES RECEIVED AND PAID INTO THE FUND FOR ~~GROUP-TERM-LIFE-INSURANCE~~ DEATH BENEFIT PURPOSES, AND OF THE INVESTMENT EARNINGS ~~UPON SUCH~~ ON THESE MONIES, AND ~~SHALL~~ MUST BE USED ONLY TO PAY THE ~~GROUP-TERM-LIFE-INSURANCE~~ DEATH BENEFITS PRESCRIBED BY SUBSECTION (C). CONCURRENT WITH THE DETERMINATION OF THE INITIAL LIABILITY OF THE PLAN FOR THE BALANCE OF THE FISCAL YEAR ON AND AFTER THE EFFECTIVE DATE OF ~~INSURANCE~~ THE BENEFIT, FOR THE ~~GROUP-TERM-LIFE-INSURANCE~~ DEATH BENEFIT PROVIDED AND TO BE PAID FOR PURSUANT TO THIS PLAN, THERE ~~SHALL~~ MUST BE SEGREGATED AND TRANSFERRED FROM THE EMPLOYER ANNUITY ACCUMULATION FUND OF THE RETIREMENT SYSTEM TO THE RESERVE FUND CREATED BY THIS SECTION ~~SUCH~~ THE AMOUNTS ~~AS SHALL BE~~ DETERMINED BY THE ACTUARY TO BE NECESSARY TO PAY ANTICIPATED ~~GROUP-TERM-LIFE-INSURANCE~~ DEATH BENEFIT CLAIMS. SUBSEQUENT SEGREGATIONS AND TRANSFERS ~~SHALL~~ MUST BE MADE AS ~~SHALL BE~~ REQUIRED TO PAY THE ~~INSURANCE~~ BENEFIT PRESCRIBED BY SUBSECTION (C) FROM THE RESERVE FUND PROVIDED BY THIS SECTION.

(C) ~~IN THE EVENT OF~~ AT THE DEATH OF A MEMBER WHO HAS MET THE ELIGIBILITY REQUIREMENTS SET FORTH IN SECTION 9-11-120 ~~ON OR AFTER THE EFFECTIVE DATE OF INSURANCE, AN AMOUNT OF~~ A BENEFIT EQUAL TO THE DEATH BENEFIT PROVIDED BY SECTION 9-11-120 ~~SHALL~~ MUST BE PAID TO THE PERSON NOMINATED BY THE MEMBER IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9-11-120 OR TO THE MEMBER'S ESTATE.

(D) THE ACTUARY SHALL INVESTIGATE THE ~~CLAIM~~ EXPERIENCE OF THE PLAN AS PROVIDED BY SECTION 9-11-30. ON THE BASIS OF SUCH THE INVESTIGATIONS AND UPON THE RECOMMENDATION OF THE ACTUARY, AS PROVIDED IN SECTION 9-11-120, THE BOARD SHALL CERTIFY THE PREMIUM CONTRIBUTION RATES COMPUTED TO BE NECESSARY TO FUND THE ~~GROUP TERM LIFE INSURANCE~~ DEATH BENEFITS AUTHORIZED TO BE PAID BY THE PLAN. AS SOON AS PRACTICABLE AFTER THE CLOSE OF EACH FISCAL YEAR, THE BOARD SHALL DETERMINE THE PREMIUM CONTRIBUTION RATES WHICH THE EMPLOYERS PARTICIPATING IN THE PLAN ARE REQUIRED TO PAY INTO THE RESERVE FUND TO DISCHARGE THE OBLIGATIONS OF THE PLAN FOR THE PAST FISCAL YEAR.

(E) EACH QUALIFIED MEMBER OF THE RETIREMENT SYSTEM IS TO BE ~~INSURED~~ COVERED AS PROVIDED ~~HEREIN~~ IN THIS SECTION EFFECTIVE COMMENCING AS OF JUNE 19, 1973.”

SECTION 7. THE FIRST AND LAST UNDESIGNATED PARAGRAPHS OF SECTION 9-11-140 OF THE 1976 CODE, AS LAST AMENDED BY ACT 337 OF 1998, ARE FURTHER AMENDED RESPECTIVELY TO READ:

“EFFECTIVE JULY 1, 1962, THERE ~~SHALL BE~~ IS CREATED THE ACCIDENTAL DEATH BENEFIT PROGRAM, ~~WHICH SHALL BE~~ EFFECTIVE AS OF THAT DATE TO ALL EMPLOYERS UNDER THE ~~SYSTEM~~ SYSTEM EXCEPT COUNTIES, MUNICIPALITIES, AND OTHER POLITICAL SUBDIVISIONS, AS WELL AS THOSE ~~STATE~~ STATE DEPARTMENTS, AGENCIES, OR INSTITUTIONS WHICH PAY DIRECTLY TO THE ~~SYSTEM~~ SYSTEM THE TOTAL EMPLOYER CONTRIBUTIONS FOR THE PARTICIPATING MEMBERS IN THEIR EMPLOY. THE BENEFIT PAID PURSUANT TO THIS ACCIDENTAL DEATH BENEFIT PROGRAM MUST NOT BE TREATED AS A LIFE INSURANCE BENEFIT FOR THE BENEFICIARY OR BENEFICIARIES SET OUT BELOW.”

“BENEFITS PAYABLE UNDER THIS SECTION MUST BE ADJUSTED TO REFLECT INCREASES IN THE CONSUMER PRICE INDEX IN THE MANNER PROVIDED IN SECTION ~~9-1-1810~~ 9-11-310.”

SECTION 8. THIS ACT TAKES EFFECT UPON APPROVAL BY THE GOVERNOR AND APPLIES FOR DEATH BENEFITS PAYABLE BASED ON MEMBER DEATHS OCCURRING AFTER JUNE 30, 2010. /

AMEND TITLE TO READ:

/ TO AMEND SECTIONS 9-1-1770, AS AMENDED, 9-1-1775, 9-8-110, AS AMENDED, 9-9-100, AS AMENDED, 9-11-120, AS AMENDED 9-11-125, AS AMENDED, AND 9-11-140, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING RESPECTIVELY TO, AMONG OTHER THINGS, LIFE INSURANCE BENEFITS PAID BENEFICIARIES OF DECEASED RETIREES OF THE SOUTH CAROLINA RETIREMENT SYSTEM, THE SOUTH CAROLINA RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY, THE RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS, AND THE SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM, AND BENEFITS PAID PURSUANT TO THE ACCIDENTAL DEATH BENEFIT PROGRAM OF THE SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM, SO AS TO MAINTAIN COMPLIANCE WITH THE INTERNAL REVENUE CODE OF 1986 BY PROVIDING FOR THESE BENEFITS TO BE PAID IN THE FORM OF DEATH BENEFITS RATHER THAN INSURANCE AND TO CORRECT A REFERENCE. /

RENUMBER SECTIONS TO CONFORM.

AMEND TITLE TO CONFORM.

South Carolina General Assembly
118th Session, 2009-2010

S. 1146

STATUS INFORMATION

General Bill

Sponsors: Senator Alexander

Document Path: I:\s-res\tca\010reti.ebd.tca.docx

Introduced in the Senate on February 9, 2010

Introduced in the House on February 24, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: SC Retirement System

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
2/9/2010	Senate	Introduced and read first time <u>SJ-5</u>
2/9/2010	Senate	Referred to Committee on Finance <u>SJ-5</u>
2/17/2010	Senate	Committee report: Favorable Finance <u>SJ-16</u>
2/18/2010	Senate	Read second time <u>SJ-7</u>
2/18/2010		Scrivener's error corrected
2/23/2010	Senate	Read third time and sent to House <u>SJ-17</u>
2/24/2010	House	Introduced and read first time <u>HJ-13</u>
2/24/2010	House	Referred to Committee on Ways and Means <u>HJ-13</u>

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VERSIONS OF THIS BILL

2/9/2010

2/17/2010

2/18/2010

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 COMMITTEE REPORT

5 February 17, 2010

6

7

S. 1146

8

9

Introduced by Senator Alexander

10

11 S. Printed 2/17/10--S.

[SEC 2/18/10 1:45 PM]

12 Read the first time February 9, 2010.

13

14

15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 1146) to amend Sections
17 9-1-1770, 9-1-1775, 9-8-110, 9-9-100, 9-11-120, 9-11-125, and
18 9-11-140 of the 1976 Code, relating to the payment of death
19 benefits, etc., respectfully

20

REPORT:

21 That they have duly and carefully considered the same and
22 recommend that the same do pass:

23

24 HUGH K. LEATHERMAN, SR. for Committee.

25

1
2
3
4
5
6
7
8
9 **A BILL**

10
11 TO AMEND SECTIONS 9-1-1770, 9-1-1775, 9-8-110, 9-9-100,
12 9-11-120, 9-11-125, AND 9-11-140 OF THE 1976 CODE,
13 RELATING TO THE PAYMENT OF DEATH BENEFITS IN
14 RETIREMENT PLANS ADMINISTERED BY THE SOUTH
15 CAROLINA RETIREMENT SYSTEMS, TO REPEAL CERTAIN
16 DUTIES AND RESPONSIBILITIES OF THE BOARD, TO
17 PROVIDE THAT BENEFITS PAID PURSUANT TO THE
18 ACCIDENTAL DEATH INSURANCE BENEFIT SHALL NOT
19 BE TREATED AS A LIFE INSURANCE BENEFIT, AND TO
20 PROVIDE THAT ADJUSTMENTS TO BENEFITS SHALL BE
21 MADE IN THE MANNER PROVIDED IN SECTION 9-11-310.

22
23 Be it enacted by the General Assembly of the State of South
24 Carolina:

25
26 SECTION 1. Section 9-1-1770 of the 1976 Code is amended to
27 read:

28
29 “Section 9-1-1770. (A) There is created the Preretirement
30 Death Benefit Program for all employers under the system except
31 counties, municipalities, other political subdivisions, and those
32 state departments, agencies, or other institutions which pay directly
33 to the system the total employer contributions for the participating
34 members in their employ.

35 (B) The program is available to those employers exempted in
36 subsection (A) by written application of the employer. An
37 application is an irrevocable commitment to participate under the
38 program. Applications are effective July first next following the
39 date of receipt by the system of the application.

40 (C)(1) Upon receipt of proof, satisfactory to the board, of the
41 death of: (a) a contributing member in service who had completed
42 at least one full year of membership in the system or of the death

1 of a contributing member as a result of an injury arising out of and
2 in the course of the performance of his duties regardless of length
3 of membership, as of the effective date of his employer's
4 participation, or (b) a retired contributing member of the system,
5 there must be paid to the person he nominated for the refund of his
6 accumulated contributions, unless he has nominated a different
7 beneficiary by written designation filed with the board, in the event
8 of his death pursuant to Section 9-1-1650, if the person is living at
9 the time of the member's death, otherwise to the member's estate,
10 a death benefit equal to the annual earnable compensation of the
11 member at the time his death occurs. The death benefit is payable
12 apart and separate from the payment of the member's accumulated
13 contributions on his death pursuant to Sections 9-1-1650 or
14 9-1-1660.

15 (2) For purposes of this subsection, a member described in
16 item (1)(a) is considered to be in service at the date of his death if
17 the last day the member was employed in a continuous, regular pay
18 status, while earning regular or unreduced wages and regular or
19 unreduced retirement service credit, whether the member was
20 physically working on that day or taking continuous accrued
21 annual leave or sick leave while receiving a full salary, occurred
22 not more than ninety days before the date of his death and he has
23 not retired.

24 (3) For purposes of this subsection, a member described in
25 item (1)(b) is considered a retired contributing member if the last
26 day the member was employed in a continuous, regular pay status,
27 while earning regular or unreduced wages and paying retirement
28 system contributions whether the member was physically working
29 on that day or taking continuous accrued annual leave or sick leave
30 while receiving a full salary, occurred not more than ninety days
31 before the date of his death.

32 ~~(D) The board may take the action necessary to provide the~~
33 ~~death benefit under this section in the form of group life insurance~~
34 ~~upon a determination that to do so would guarantee a more~~
35 ~~favorable tax treatment of the benefit to beneficiaries to whom the~~
36 ~~benefit is payable.~~

37 ~~(E)~~ Upon the death of a retired member who is not a retired
38 contributing member after December 31, 2000, there must be paid
39 to the designated beneficiary or beneficiaries, if living at the time
40 of the retired member's death, otherwise to the retired member's
41 estate, a ~~life insurance~~ benefit of two thousand dollars if the retired
42 member had ten years of creditable service but less than twenty
43 years, four thousand dollars if the retired member had twenty years

1 of creditable service but less than twenty-eight, and six thousand
2 dollars if the retired member had at least twenty-eight years of
3 creditable service at the time of retirement, if the retired member's
4 most recent employer, before the member's retirement, is covered
5 by the ~~Group Life Insurance Program~~ Preretirement Death Benefit
6 Program."

7

8 SECTION 2. Section 9-1-1775 of the 1976 Code is amended to
9 read:

10

11 "Section 9-1-1775. (A) The ~~Group Life Insurance~~ Death
12 Benefit Plan for members of the South Carolina Retirement
13 System, hereinafter referred to as the 'plan', is hereby established
14 and created, for the purpose of providing ~~group life insurance~~ for
15 the payment of the benefits provided by Section 9-1-1770 of the
16 laws governing said system.

17 (B) A separate fund, to be known as the ~~Group Life Insurance~~
18 Death Benefit Plan Reserve Fund, is hereby established within the
19 South Carolina Retirement System, hereinafter referred to as the
20 'retirement system', to be held in trust by the board. The fund
21 shall consist of all ~~premiums~~ contributions paid by the employers
22 and other monies received and paid into the fund for group term
23 life insurance purposes, and of the investment earnings upon such
24 monies, and shall be used only to pay the ~~group term life insurance~~
25 death benefit prescribed by subsection (C). Concurrent with the
26 determination of the initial liability of the plan for the balance of
27 the fiscal year on and after the effective date of ~~insurance~~ the plan,
28 for the ~~group term life insurance~~ death benefit provided and to be
29 paid for pursuant to this plan, there shall be segregated and
30 transferred from the Employer Annuity Accumulation Fund of the
31 retirement system to the reserve fund created by this section such
32 amounts as shall be determined by the actuary to be necessary to
33 pay anticipated ~~group term life insurance~~ death benefit claims.
34 Subsequent segregations and transfers shall be made as shall be
35 required to pay the ~~insurance~~ death benefit prescribed by
36 subsection (C) from the reserve fund provided by this section.

37 (C) In the event of the death of a member who has met the
38 eligibility requirements set forth in Section 9-1-1770 ~~on or after~~
39 ~~the effective date of insurance, an amount of insurance, a benefit~~
40 equal to the death benefit provided by Section 9-1-1770 shall be
41 paid to the person nominated by the member in accordance with
42 the provisions of Section 9-1-1770 or to the member's estate.

1 (D) The actuary shall investigate the claim experience of the
2 plan as provided by Section 9-1-250. On the basis of such
3 investigations and upon the recommendation of the actuary, as
4 provided in Section 9-1-1210, the board shall certify the premium
5 contribution rates computed to be necessary to fund the group-term
6 life-insurance death benefit authorized to be paid by the plan. As
7 soon as practicable after the close of each fiscal year, the board
8 shall determine the premium contribution which the employers
9 participating in the plan are required to pay into the reserve fund to
10 discharge the obligations of the plan for the past fiscal year.

11 (E) Each qualified member of the retirement system is to be
12 insured covered as provided herein effective commencing as of
13 June 19, 1973.”

14

15 SECTION 3. Section 9-8-110(6) of the 1976 Code is amended to
16 read:

17

18 ~~“(6) The Board may take such action as may be necessary to~~
19 ~~provide the death benefit under this section in the form of group~~
20 ~~life-insurance upon a determination that to do so would guarantee a~~
21 ~~more favorable tax treatment of the benefit to beneficiaries to~~
22 ~~whom the benefit is payable.~~

23 Upon the death of a retired member on or after July 1, 1985,
24 there must be paid to the designated beneficiary or beneficiaries, if
25 living at the time of the retired member’s death, otherwise to the
26 retired member’s estate, a death benefit of one thousand dollars if
27 the retired member had ten years of creditable service but less than
28 twenty years, two thousand dollars if the retired member had
29 twenty years of creditable service but less than thirty, and three
30 thousand dollars if the retired member had at least thirty years of
31 creditable service at the time of retirement.”

32

33 SECTION 4. Section 9-9-100(4) of the 1976 Code is amended to
34 read:

35

36 “(4) Upon receipt of proof, satisfactory to the board, of the
37 death, after June 30, 1969, of a member of the system then in
38 service as a member of the General Assembly who had completed
39 at least one full year of membership in the system or of the death
40 of an in-service member as a result of an injury arising out of and
41 in the course of the performance of his duties regardless of length
42 of membership, there must be paid to the person he nominated for
43 the refund of his accumulated contributions, unless he has

1 nominated a different beneficiary by written designation filed with
2 the board, pursuant to Section 9-9-90, if the person is living at the
3 time of the member's death, otherwise to the member's estate, a
4 death benefit equal to the annual earnable compensation of the
5 member at the time his death occurs. The death benefit is payable
6 apart and separate from the payment of the lump sum amount, or
7 the allowance in lieu of it, pursuant to subsections (1) and (3). For
8 purposes of this subsection, a member is considered to be in
9 service at the date of his death if his last day of earned service
10 credit as a member of the General Assembly occurred not more
11 than ninety days before the date of his death and he has not retired
12 or withdrawn contributions.

13 ~~The Board is authorized to take such action as may be necessary~~
14 ~~to provide the death benefit under this section in the form of group~~
15 ~~life insurance upon a determination that to do so would guarantee a~~
16 ~~more favorable tax treatment of the benefit to beneficiaries to~~
17 ~~whom such benefit is payable.~~

18 Upon the death of a retired member on or after July 1, 1985,
19 there must be paid to the designated beneficiary or beneficiaries, if
20 living at the time of the retired member's death, otherwise to the
21 retired member's estate, a death benefit of one thousand dollars if
22 the retired member had ten years of creditable service but less than
23 twenty years, two thousand dollars if the retired member had
24 twenty years of creditable service but less than thirty, and three
25 thousand dollars if the retired member had at least thirty years of
26 creditable service at the time of retirement.”

27
28 SECTION 5. Section 9-11-120(E) and (F) of the 1976 Code is
29 amended to read:

30
31 ~~“(E) The board may take the action necessary to provide the~~
32 ~~death benefits under this section in the form of group life insurance~~
33 ~~upon a determination that to do so would guarantee a more~~
34 ~~favorable tax treatment of the benefit to beneficiaries to whom the~~
35 ~~benefit is payable.~~

36 (F) Upon the death of a retired member on or after July 1,
37 2000, there must be paid to the designated beneficiary or
38 beneficiaries, if living at the time of the retired member's death,
39 otherwise to the retired member's estate, a ~~life insurance~~ benefit of
40 two thousand dollars if the retired member had ten years of
41 creditable service but less than twenty years, four thousand dollars
42 if the retired member had twenty years of creditable service but
43 less than twenty-five, and six thousand dollars if the retired

1 member had at least twenty-five years of creditable service at the
2 time of retirement, if the retired member's most recent employer
3 prior to retirement is covered by the ~~Group Life Insurance Program~~
4 Preretirement Death Benefit Program."

5
6 SECTION 6. Section 9-11-125 of the 1976 Code is amended to
7 read:

8
9 "Section 9-11-125. (A) The ~~Group Life Insurance~~ Death
10 Benefit Plan for members of the South Carolina Police Officers
11 Retirement System, hereinafter referred to as the 'plan', is hereby
12 established and created, for the purpose of providing ~~group life~~
13 ~~insurance~~ for the payment of the benefits provided by Section
14 9-11-120 of the laws governing said system.

15 (B) A separate fund, to be known as the Death Benefit Plan
16 Reserve Fund, is hereby established within the South Carolina
17 Police Officers Retirement System, hereinafter referred to as the
18 'retirement system', to be held in trust by the board. The fund
19 shall consist of all premiums paid by the employers and other
20 monies received and paid into the fund for group term life
21 insurance purposes, and of the investment earnings upon such
22 monies, and shall be used only to pay the group term life insurance
23 prescribed by subsection (C). Concurrent with the determination of
24 the initial liability of the plan for the balance of the fiscal year on
25 and after the effective date of ~~insurance~~ the benefit, for the ~~group~~
26 ~~term life insurance~~ death benefit provided and to be paid for
27 pursuant to this plan, there shall be segregated and transferred from
28 the Employer Annuity Accumulation Fund of the retirement
29 system to the reserve fund created by this section such amounts as
30 shall be determined by the actuary to be necessary to pay
31 anticipated ~~group term life insurance~~ death benefit claims.
32 Subsequent segregations and transfers shall be made as shall be
33 required to pay the ~~insurance~~ benefit prescribed by subsection (C)
34 from the reserve fund provided by this section.

35 (C) In the event of the death of a member who has met the
36 eligibility requirements set forth in Section 9-11-120 ~~on or after~~
37 ~~the effective date of insurance, an amount of insurance~~ a benefit
38 equal to the death benefit provided by Section 9-11-120 shall be
39 paid to the person nominated by the member in accordance with
40 the provisions of Section 9-11-120 or to the member's estate.

41 (D) The actuary shall investigate the ~~claim~~ experience of the
42 plan as provided by Section 9-11-30. On the basis of such
43 investigations and upon the recommendation of the actuary, as

1 provided in Section 9-11-120, the board shall certify the ~~premium~~
2 contribution rates computed to be necessary to fund the ~~group-term~~
3 life insurance death benefit authorized to be paid by the plan. As
4 soon as practicable after the close of each fiscal year, the board
5 shall determine the ~~premium contribution rates~~ which the
6 employers participating in the plan are required to pay into the
7 reserve fund to discharge the obligations of the plan for the past
8 fiscal year.

9 (E) Each qualified member of the retirement system is to be
10 ~~insured covered~~ as provided herein effective commencing as of
11 June 19, 1973.”

12
13 SECTION 7. Section 9-11-140 of the 1976 Code is amended to
14 read:

15
16 “Section 9-11-140. Effective July 1, 1962, there shall be created
17 the Accidental Death Benefit Program, which shall be effective as
18 of that date to all employers under the ~~System system~~ except
19 counties, municipalities, and other political subdivisions, as well as
20 those ~~State state~~ departments, agencies, or institutions which pay
21 directly to the ~~System system~~ the total employer contributions for
22 the participating members in their employ. The benefit paid
23 pursuant to this Accidental Death Benefit Program shall not be
24 treated as a life insurance benefit for the beneficiary or
25 beneficiaries set out below.

26 The ~~Program program~~ shall be available to those employers
27 exempted in the preceding paragraph by written application of
28 such employer. Applications shall be an irrevocable commitment
29 to participate under the ~~Program program~~. For applications
30 received by the ~~System system~~ prior to October 1, 1971, the
31 effective date of the coverage shall be July 1, 1962. For all other
32 applications the effective date shall be July first next following the
33 date of receipt by the ~~System system~~ of the application. Members
34 of the ~~System system~~ whose employers participate under the
35 program and contribute under this section shall be considered
36 eligible members for purposes hereof.

37 Upon receipt of the proper proofs of death of an eligible member
38 in service whose death was a natural and proximate result of an
39 injury by external accident or violence incurred while undergoing a
40 hazard peculiar to the member’s employment while in the actual
41 performance of duty, provided that the death was without wilful
42 negligence on the part of the deceased and upon the finding and
43 certification by the board that the death occurred, there must be

1 paid to the member's surviving spouse, a pension of fifty percent
2 of the member's compensation at the time of death. If there is no
3 surviving spouse, or if the surviving spouse dies before the
4 youngest child of the deceased member has attained the age of
5 eighteen, the pension is paid to the children, divided in a manner as
6 the board determines to continue for the benefit of the children
7 until every child dies or attains the age of eighteen. If there is no
8 surviving spouse or children under the age of eighteen years living
9 at the death of the member, the pension must be paid to the
10 member's surviving father or mother, or both, as the board may
11 direct to continue for life. If the member at the time of his death
12 does not leave a surviving spouse, or children under the age of
13 eighteen, or surviving parents, no death benefit is payable under
14 this section. The death benefit is payable apart and separate from
15 the payment of any other benefits payable on the member's death
16 pursuant to the provisions of Sections 9-11-110, 9-11-120, and
17 9-11-130.

18 Notwithstanding any other provision of law, contributions to
19 support the Accidental Death Benefit Program shall be made by
20 participating employers to a separate account. The contributions
21 shall commence on the July first following the effective date of
22 coverage or July 1, 1972, if later, and shall be equal to thirty-five
23 one hundredths of one percent of the compensation of eligible
24 members, provided that such rate of contribution shall be subject to
25 periodic adjustment on the basis of actual experience and the
26 recommendation of the actuary. All accidental death benefit
27 payments made under this ~~Program~~ program shall be a charge
28 against this account.

29 The monthly allowance any beneficiary is receiving under this
30 program on July 1, 1980, shall be increased by ten percent
31 effective on such date, provided the beneficiary was receiving a
32 benefit on July 1, 1979.

33 The monthly allowance any beneficiary is receiving under this
34 program on July 1, 1988, must be increased by ten percent
35 effective on July 1, 1988, if the beneficiary was receiving a benefit
36 on July 1, 1987.

37 The monthly allowance a beneficiary is receiving under this
38 program on July 1, 1992, must be increased by ten percent
39 effective on July 1, 1992, if the beneficiary was receiving a benefit
40 on July 1, 1991.

41 Benefits payable under this section must be adjusted to reflect
42 increases in the Consumer Price Index in the manner provided in
43 Section ~~9-1-1810~~ 11-310."

1 SECTION 8. This act takes effect upon approval by the Governor
2 and shall apply to death benefits payable based on member deaths
3 occurring on or after July 1, 2010.

4 ----XX----

5

REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE

(Neilson, Kirsh, GM Smith & White - Staff Contact: Katie Owen)

SENATE BILL 1145

S. 1145-- Senator Leatherman: A BILL TO AMEND SECTIONS 9-1-1540, 9-9-65, AND 9-11-80 OF THE 1976 CODE, RELATING TO THE DATE UPON WHICH AN APPLICATION FOR DISABILITY RETIREMENT MUST BE FILED WITH THE SOUTH CAROLINA RETIREMENT SYSTEM, TO PROVIDE THAT A MEMBER IS CONSIDERED TO BE IN SERVICE ON THE DATE THE APPLICATION IS FILED IF THE MEMBER IS NOT RETIRED AND THE LAST DAY THE MEMBER WAS EMPLOYED BY A COVERED EMPLOYER IN THE SYSTEM OCCURRED NOT MORE THAN NINETY DAYS PRIOR TO THE DATE OF FILING.

Summary of Bill:

This bill revises provisions relating to the date upon which an application for disability retirement must be filed with the South Carolina Retirement System, to provide that a member is considered to be in service on the date the application is filed if the member is not retired and the last day the member was employed by a covered employer in the system occurred not more than ninety days prior to the date of filing.

Introduced: 2/24/2010

Received by Ways and Means: 2/24/2010

Estimated Fiscal Impact:

Per the SC Retirement Systems, there is no actuarial impact to the System with the adoption of this bill.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Other Notes/Comments:

[CLICK HERE](#) to Edit Notes/Comments

FISCAL IMPACT STATEMENT ON BILL NO. **S.1145**

(Doc. No. 019ret9.dag.hkl.docx)

TO: The Honorable Hugh Leatherman, Chairman, Senate Finance Committee

FROM: Office of State Budget, Budget and Control Board

ANALYSTS: K. Earle Powell

DATE: February 19, 2010

SBD: 2010093

AUTHOR: Senator Leatherman

PRIMARY CODE CITE: 9-1-1540

SUBJECT: SC Retirement System

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 1145 amends the Code of laws of South Carolina, 1976, relating to the date upon which an application for disability retirement must be filed with the SC Retirement System. This Bill provides that a member is considered to be in service on the date the application is filed if the member is not retired and the last day the member was employed by a covered employer in the system occurred not more than 90 days prior to the date of filing.

EXPLANATION OF IMPACT:

State Budget and Control Board

The S.C. Retirement System reports that there is no actuarial impact to the System with the adoption of this Bill.

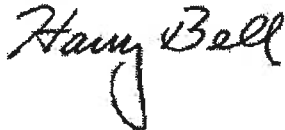
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell

Assistant Director, Office of State Budget

South Carolina General Assembly
118th Session, 2009-2010

S. 1145

STATUS INFORMATION

General Bill

Sponsors: Senator Leatherman

Document Path: I:\s-financ\drafting\hkl\019ret9.dag.hkl.docx

Introduced in the Senate on February 9, 2010

Introduced in the House on February 24, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: SC Retirement System

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
2/9/2010	Senate	Introduced and read first time <u>SJ-5</u>
2/9/2010	Senate	Referred to Committee on Finance <u>SJ-5</u>
2/17/2010	Senate	Committee report: Favorable Finance <u>SJ-16</u>
2/18/2010	Senate	Read second time <u>SJ-7</u>
2/18/2010		Scrivener's error corrected
2/23/2010	Senate	Read third time and sent to House <u>SJ-16</u>
2/24/2010	House	Introduced and read first time <u>HJ-13</u>
2/24/2010	House	Referred to Committee on Ways and Means <u>HJ-13</u>

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VERSIONS OF THIS BILL

2/9/2010

2/17/2010

2/18/2010

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 COMMITTEE REPORT

5 February 17, 2010

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S. 1145

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Introduced by Senator Leatherman

10

11 S. Printed 2/17/10--S.

[SEC 2/18/10 1:57 PM]

12 Read the first time February 9, 2010.

13

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15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 1145) to amend Sections
17 9-1-1540, 9-9-65, and 9-11-80 of the 1976 Code, relating to the
18 date upon which an application for disability retirement, etc.,
19 respectfully

20

REPORT:

21 That they have duly and carefully considered the same and
22 recommend that the same do pass:

23

24 HUGH K. LEATHERMAN, SR. for Committee.

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A BILL

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11 TO AMEND SECTIONS 9-1-1540, 9-9-65, AND 9-11-80 OF
12 THE 1976 CODE, RELATING TO THE DATE UPON WHICH
13 AN APPLICATION FOR DISABILITY RETIREMENT MUST
14 BE FILED WITH THE SOUTH CAROLINA RETIREMENT
15 SYSTEM, TO PROVIDE THAT A MEMBER IS CONSIDERED
16 TO BE IN SERVICE ON THE DATE THE APPLICATION IS
17 FILED IF THE MEMBER IS NOT RETIRED AND THE LAST
18 DAY THE MEMBER WAS EMPLOYED BY A COVERED
19 EMPLOYER IN THE SYSTEM OCCURRED NOT MORE
20 THAN NINETY DAYS PRIOR TO THE DATE OF FILING.

21
22 Be it enacted by the General Assembly of the State of South
23 Carolina:

24
25 SECTION 1. Section 9-1-1540 of the 1976 Code is amended to
26 read:

27
28 "Section 9-1-1540. Upon the application of a member in service
29 or of his employer, a member in service on or after July 1, 1970,
30 who has had five or more years of earned service or a contributing
31 member who is disabled as a result of an injury arising out of and
32 in the course of the performance of his duties regardless of length
33 of membership on or after July 1, 1985, may be retired by the
34 board not less than thirty days and not more than nine months next
35 following the date of filing the application on a disability
36 retirement allowance if the system, after a medical examination of
37 the member, certifies that the member is mentally or physically
38 incapacitated for the further performance of duty, that the
39 incapacity is likely to be permanent, and that the member should
40 be retired. For purposes of this section, a member is considered to
41 be in service on the date the application is filed if the member is
42 not retired and the last day the member was employed by a

1 covered employer in the system occurred not more than ninety
2 days prior to the date of filing.

3 The South Carolina Retirement System may contract with the
4 Department of Vocational Rehabilitation to evaluate the medical
5 evidence submitted with the disability application relative to the
6 job being performed and make recommendations to the medical
7 board. The system may approve a disability retirement subject to
8 the member participating in vocational rehabilitation with the
9 Department of Vocational Rehabilitation. Upon determination by
10 the department that a member retired on disability is able to reenter
11 the job market and work is available, the Retirement System may
12 adjust the benefit paid by the system in accordance with Sections
13 9-1-1580, 9-1-1590, 9-9-60, and 9-11-90.”

14
15 SECTION 2. Section 9-9-65(1) of the 1976 Code is amended to
16 read:

17
18 “(1) Upon the application of a member in service or of the State,
19 any member in service on or after July 1, 1977, who has five or
20 more years of credited service or any contributing member who is
21 disabled as a result of an injury arising out of and in the course of
22 the performance of his duties regardless of length of membership
23 on or after July 1, 1985, may be retired by the board not less than
24 thirty days nor more than ninety days next following the date of
25 filing the application on a disability retirement allowance if the
26 system, after a medical examination of the member, shall certify
27 that the member is mentally or physically incapacitated for further
28 performance of duty, that the incapacity is likely to be permanent,
29 and that the member should be retired. For purposes of this
30 section, a member is considered to be in service on the date the
31 application is filed if the member is not retired and the last day the
32 member held office as a member of the General Assembly
33 occurred not more than ninety days prior to the date of filing.”

34
35 SECTION 3. Section 9-11-80(1) of the 1976 Code is amended to
36 read:

37
38 “(1) On the application of a member in service or the member’s
39 employer, a member who has five or more completed years of
40 earned service or any contributing member who is disabled as a
41 result of an injury arising out of and in the course of the
42 performance of the member’s duties regardless of length of
43 membership may be retired by the retirement board not less than

1 thirty days and not more than nine months next following the date
2 of filing the application on a disability retirement allowance if the
3 system, after a medical examination of the member, certifies that
4 the member is mentally or physically incapacitated for the further
5 performance of duty, that the incapacity is likely to be permanent,
6 and that the member should be retired. For purposes of this
7 section, a member is considered to be in service on the date the
8 application is filed if the member is not retired and the last day the
9 member was employed by a covered employer in the system
10 occurred not more than ninety days prior to the date of filing.

11 The South Carolina Retirement System may contract with the
12 Department of Vocational Rehabilitation to evaluate the medical
13 evidence submitted with the disability application relative to the
14 job being performed and make recommendations to the system.
15 The system may approve a disability retirement subject to the
16 member participating in vocational rehabilitation with the
17 Department of Vocational Rehabilitation. Upon determination by
18 the department that a member retired on disability is able to reenter
19 the job market and work is available, the Retirement System may
20 adjust the benefit paid by the system in accordance with Sections
21 9-1-1580, 9-1-1590, 9-9-60, and 9-11-90.”

22
23 SECTION 4. This act takes effect upon approval by the Governor
24 and applies to any application for disability retirement filed with
25 the South Carolina Retirement Systems on or after May 12, 2008.

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REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE

(Neilson, Kirsh, GM Smith & White - Staff Contact: Katie Owen)

SENATE BILL 906

S. 906 -- Senators Leatherman, Land, Coleman and Elliott: A BILL TO AMEND SECTION 9-8-50 OF THE 1976 CODE, RELATING TO SERVICE CREDIT IN THE RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS, TO PROVIDE THAT A MEMBER UPON TERMINATION WHO DOES NOT QUALIFY FOR A MONTHLY BENEFIT MAY TRANSFER HIS SERVICE CREDIT TO THE SOUTH CAROLINA RETIREMENT SYSTEM, AND TO CLARIFY PROVISIONS RELATED TO THE TRANSFER OF EARNED SERVICE CREDIT IN RETIREMENT PLANS ADMINISTERED BY THE SOUTH CAROLINA RETIREMENT SYSTEMS.

Summary of Bill:

This bill revises provisions relating to service credit in the Retirement System for Judges and Solicitors, to provide that a member upon termination who does not qualify for a monthly benefit may transfer his service credit to the South Carolina Retirement System. The legislation clarifies provisions related to the transfer of earned service credit in retirement plans administered by the South Carolina Retirement Systems.

Introduced: 2/24/2010

Received by Ways and Means: 2/24/2010

Estimated Fiscal Impact:

Per the SC Retirement Systems, there is no actuarial impact to the System with the adoption of this bill.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Other Notes/Comments:

[CLICK HERE to Edit Notes/Comments](#)

FISCAL IMPACT STATEMENT ON BILL NO. **S.906**
(Doc. No. 015retj.dag.hkl.docx)

TO: The Honorable Hugh Leatherman, Chairman, Senate Finance Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: K. Earle Powell
DATE: February 19, 2010 SBD: 2010092

AUTHOR: Senator Leatherman PRIMARY CODE CITE: 9-8-50
SUBJECT: Judges and Solicitors Retirement

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 906 amends the Code of Laws of South Carolina, 1976, relating to the service credit in the retirement system for judges and solicitors. The Bill provides that a member upon termination who does not qualify for a monthly benefit may transfer his service credit to the South Carolina Retirement System.

EXPLANATION OF IMPACT:

State Budget and Control Board

The S.C. Retirement System reports that there is no actuarial impact to the System with the adoption of this Bill.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

South Carolina General Assembly
118th Session, 2009-2010

S. 906

STATUS INFORMATION

General Bill

Sponsors: Senators Leatherman, Land, Coleman and Elliott

Document Path: I:\s-financ\drafting\hkl\015retj.dag.hkl.docx

Introduced in the Senate on January 12, 2010

Introduced in the House on February 24, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Judges and solicitors

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
12/9/2009	Senate	Prefiled
12/9/2009	Senate	Referred to Committee on Finance
1/12/2010	Senate	Introduced and read first time <u>SJ</u> -13
1/12/2010	Senate	Referred to Committee on Finance <u>SJ</u> -13
2/17/2010	Senate	Committee report: Favorable Finance <u>SJ</u> -12
2/18/2010	Senate	Read second time <u>SJ</u> -6
2/23/2010	Senate	Read third time and sent to House <u>SJ</u> -16
2/24/2010	House	Introduced and read first time <u>HJ</u> -12
2/24/2010	House	Referred to Committee on Ways and Means <u>HJ</u> -12

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VERSIONS OF THIS BILL

12/9/2009

2/17/2010

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 COMMITTEE REPORT

5 February 17, 2010

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S. 906

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9 Introduced by Senators Leatherman, Land, Coleman and Elliott

10

11 S. Printed 2/17/10--S.

12 Read the first time January 12, 2010.

13

14

15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 906) to amend Section 9-8-50
17 of the 1976 Code, relating to service credit in the Retirement
18 System for Judges and Solicitors, to provide that a member upon
19 termination, etc., respectfully

20

REPORT:

21 That they have duly and carefully considered the same and
22 recommend that the same do pass:

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24 HUGH K. LEATHERMAN, SR. for Committee.

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A BILL

TO AMEND SECTION 9-8-50 OF THE 1976 CODE, RELATING TO SERVICE CREDIT IN THE RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS, TO PROVIDE THAT A MEMBER UPON TERMINATION WHO DOES NOT QUALIFY FOR A MONTHLY BENEFIT MAY TRANSFER HIS SERVICE CREDIT TO THE SOUTH CAROLINA RETIREMENT SYSTEM, AND TO CLARIFY PROVISIONS RELATED TO THE TRANSFER OF EARNED SERVICE CREDIT IN RETIREMENT PLANS ADMINISTERED BY THE SOUTH CAROLINA RETIREMENT SYSTEMS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 9-8-50(D) of the 1976 Code is amended to read:

“(D) A member upon termination may either:

(1) elect to receive a refund of the member’s employee contributions and accumulated interest; or

(2) elect to leave the member’s employee contributions and interest on deposit in the system. Regular interest must continue to be credited to the member’s account in the same manner that interest is credited to the accounts of active members. At a later date, the member may either:

(a) return to employment as a judge, solicitor, or circuit public defender and once again become an active contributing member of the system;

(b) receive a refund of the member’s accumulated contributions and interest;

(c) if vested, receive a deferred annuity in accordance with subsection (E) of this section; or

1 (d) if the member has been hired or elected to a position
2 covered by the South Carolina Retirement System, the Police
3 Officers Retirement System, or the Retirement System for
4 Members of the General Assembly, and becomes a member of one
5 of these systems, the member may transfer the member's
6 nonconcurrent service credit to the retirement system in which the
7 member has become an active participant, by taking a refund of the
8 member's employee contributions and accumulated interest in the
9 system and by purchasing the nonconcurrent service as public
10 service in the other system in which the member is an active
11 participant; or

12 (3) if the member does not qualify for a monthly benefit,
13 elect to transfer his service credit to the South Carolina Retirement
14 System. Upon such election, the director must transfer to the
15 South Carolina Retirement System the required employee and
16 employer contributions. The required contributions shall be equal
17 to the employer and employee contributions that would have been
18 required under the South Carolina Retirement System had the
19 member earned his highest career salary as a judge, solicitor, or
20 circuit public defender in a position covered by the South Carolina
21 Retirement System for each year of service credit transferred.
22 Should either employee contributions or employer contributions be
23 insufficient for the member to transfer all of his service credit, the
24 member shall receive a prorated portion of his service credit in the
25 South Carolina Retirement System and have the option to purchase
26 the remaining service as public service pursuant to Section
27 9-1-1140. Any excess employer contributions following the
28 transfer shall remain in the system and shall be held pursuant to
29 Section 9-8-180. Any excess member contributions following the
30 transfer shall be refunded to the member. Earned service credit
31 transferred pursuant to this section shall be considered earned
32 service credit in the South Carolina Retirement System as defined
33 by Section 9-1-10(9). The member's salary as a judge, solicitor, or
34 circuit public defender shall be considered earnable compensation
35 in determining the member's average final compensation under the
36 South Carolina Retirement System."

37
38 SECTION 2. Notwithstanding the limitations on establishment of
39 additional service credit in the Retirement System for Judges and
40 Solicitors provided in Section 9-8-50(A) of the 1976 Code, within
41 thirty days of the effective date of this act, an active contributing
42 member of the Retirement System for Judges and Solicitors, who
43 was also an active contributing member on July 1, 2004, may

1 transfer to the Retirement System for Judges and Solicitors any
2 amount of nonconcurrent earned service credit from the South
3 Carolina Retirement System, the South Carolina Police Officers
4 Retirement System, or the Retirement System for Members of the
5 General Assembly in the manner provided in Section 9-8-50(B) of
6 the 1976 Code. A member of the Retirement System for Judges
7 and Solicitors may not establish in the aggregate more than sixteen
8 years of service credit in the Retirement System for Judges and
9 Solicitors pursuant to this act or Sections 9-8-50(A) and (B). For
10 purposes of Section 9-8-60(5) of the 1976 Code only, service
11 earned in the South Carolina Retirement System, the South
12 Carolina Police Officers Retirement System, or the Retirement
13 System for Members of the General Assembly and transferred to
14 the Retirement System for Judges and Solicitors pursuant to this
15 act shall be deemed earned service.

16

17 SECTION 3. This act takes effect upon approval by the Governor.

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REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE

(Neilson, Kirsh, GM Smith & White - Staff Contact: Katie Owen)

HOUSE BILL 4599

H. 4599 -- Reps. Daning, Clemmons, D.C. Moss, Sellers, Brantley, Erickson, Hardwick, Kennedy, Whipper, Jefferson, Loftis, Gilliard, McEachern, Pinson, Merrill, Crawford, Umphlett, Harrison, V.S. Moss, Bowen, Gambrell, Lowe, H.B. Brown, Govan, Viers, Sottile, Whitmire, Agnew, Ballentine, Barfield, Bedingfield, Cobb-Hunter, Gunn, Hamilton, Harrell, Harvin, Hearn, Herbkersman, Horne, Hosey, Howard, J.H. Neal, Owens, M.A. Pitts, Sandifer, Scott, D.C. Smith, G.R. Smith, Thompson, Toole, Vick, Willis, Wylie and A.D. Young: A BILL TO AMEND SECTION 59-112-50, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO IN-STATE TUITION FOR MILITARY PERSONNEL AND THEIR DEPENDENTS, SO AS TO CONTINUE TO EXTEND IN-STATE TUITION RATES UPON TRANSFER TO AN ELIGIBLE INSTITUTION UPON CERTAIN CONDITIONS, AND TO REQUIRE A TRANSFERRING INSTITUTION TO VERIFY ELIGIBILITY AND THE TRANSFERRING STUDENT TO PROVIDE NECESSARY DOCUMENTATION.

Summary of Bill:

This bill revises provisions relating to in-state tuition for military personnel and their dependents, so as to continue to extend in-state tuition rates upon transfer to an eligible institution upon certain conditions, and to require a transferring institution to verify eligibility and the transferring student to provide necessary documentation.

Introduced: 2/18/2010

Received by Ways and Means: 2/18/2010

Estimated Fiscal Impact: This bill would impact tuition and fee revenue collected by colleges and universities, as the provision allow some students who would otherwise pay out-of-state tuition to continue to be assessed the in-state rates upon transfer. Therefore, the receiving institutions would forego the higher revenues collected from payment of out-of-state rates. The impact on tuition and fee revenue is not readily determinable since The Commission on Higher Education (CHE) does not collect the data necessary to provide an estimate. Since the institutions are funded with a combination of State General Funds and tuition and fee revenue, the impact on the General Fund of the State is at the General Assembly's discretion. Enactment may result in a need for the institutions to adjust their tuition and fee schedules. CHE indicates institutions receiving the transfer students would also incur some administrative costs associated with conducting a review to verify residency.

Subcommittee Recommendation: Favorable

Full Committee Recommendation:

Other Notes/Comments:

[CLICK HERE to Edit Notes/Comments](#)

THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SC HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFITS OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUCTED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

FISCAL IMPACT STATEMENT ON BILL NO. **4599**

(Doc. No. 9569bh10.docx)

TO:	The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Nicole Ford-Jennings		
DATE:	March 9, 2010	SBD:	2010131

AUTHOR:	Representative Daning	PRIMARY CODE CITE:	59-112-50
SUBJECT:	Military Personnel		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

House Bill 4599 amends Title 59, Chapter 112 of the Code of Laws of South Carolina, 1976, by revising Section 59-112-50 relating to in-state tuition for military personnel and their dependents. This Bill would continue to extend in-state tuition rates to students upon transfer to an eligible institution, under certain conditions; require the receiving institution to verify eligibility; and require the transferring student to provide necessary documentation.

EXPLANATION OF IMPACT:

This Bill would impact tuition and fee revenue collected by colleges and universities, as the provision allows some students who would otherwise pay out-of-state tuition to continue to be assessed the in-state rates upon transfer. Therefore, the receiving institutions would forego the higher revenues collected from payment of out-of-state rates. The impact on tuition and fee revenue is not readily determinable since The Commission on Higher Education (CHE) does not collect the data necessary to provide an estimate. Since the institutions are funded with a combination of State General Funds and tuition and fee revenue, the impact on the General Fund of the State is at the General Assembly's discretion. Enactment may result in a need for the institutions to adjust their tuition and fee schedules. CHE indicates institutions receiving the transfer students would also incur some administrative costs associated with conducting a review to verify residency.

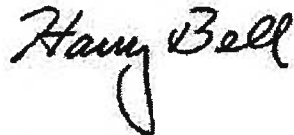
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

South Carolina General Assembly
118th Session, 2009-2010

H. 4599

STATUS INFORMATION

General Bill

Sponsors: Reps. Daning, Clemmons, D.C. Moss, Sellers, Brantley, Erickson, Hardwick, Kennedy, Whipper, Jefferson, Loftis, Gilliard, McEachern, Pinson, Merrill, Crawford, Umphlett, Harrison, V.S. Moss, Bowen, Gambrell, Lowe, H.B. Brown, Govan, Viers, Sottile, Whitmire, Agnew, Ballentine, Barfield, Bedingfield, Cobb-Hunter, Gunn, Hamilton, Harrell, Harvin, Hearn, Herbkersman, Horne, Hosey, Howard, J.H. Neal, Owens, M.A. Pitts, Sandifer, Scott, D.C. Smith, G.R. Smith, Thompson, Toole, Vick, Willis, Wylie and A.D. Young

Document Path: I:\council\bill\bbm\9569bh10.docx

Introduced in the House on February 18, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Military personnel

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
2/18/2010	House	Introduced and read first time <u>HJ-50</u>
2/18/2010	House	Referred to Committee on Ways and Means <u>HJ-50</u>

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VERSIONS OF THIS BILL

2/18/2010

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9 **A BILL**

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11 TO AMEND SECTION 59-112-50, AS AMENDED, CODE OF
12 LAWS OF SOUTH CAROLINA, 1976, RELATING TO
13 IN-STATE TUITION FOR MILITARY PERSONNEL AND
14 THEIR DEPENDENTS, SO AS TO CONTINUE TO EXTEND
15 IN-STATE TUITION RATES UPON TRANSFER TO AN
16 ELIGIBLE INSTITUTION UPON CERTAIN CONDITIONS,
17 AND TO REQUIRE A TRANSFERRING INSTITUTION TO
18 VERIFY ELIGIBILITY AND THE TRANSFERRING
19 STUDENT TO PROVIDE NECESSARY DOCUMENTATION.

20
21 Be it enacted by the General Assembly of the State of South
22 Carolina:

23
24 SECTION 1. Section 59-112-50 of the 1976 Code, as last
25 amended by Act 299 of 2008, is further amended to read:

26
27 “Section 59-112-50. Notwithstanding ~~other provisions~~ another
28 provision of this chapter law, during the period of their assignment
29 to duty in South Carolina, members of the armed services of the
30 United States stationed in South Carolina and their dependents are
31 eligible for in-state tuition rates. When ~~such~~ these armed service
32 personnel are ordered away from the State, their dependents are
33 eligible for in-state tuition rates ~~so~~ as long as they remain
34 continuously enrolled at the state institution ~~where~~ in which they
35 are enrolled at the time the assignment ends or transfer to an
36 eligible institution during the term or semester, excluding summer
37 terms, immediately following their enrollment at the previous
38 institution. In the event of a transfer, the receiving institution shall
39 verify the decision made by the student’s previous institution in
40 order to certify the student’s eligibility for in-state tuition rates. It
41 is the responsibility of the transferring student to ensure that all
42 documents required to verify both the previous and present

1 residency decisions are provided to the institution. These persons
2 and their dependents are eligible for in-state tuition rates after their
3 discharge from the armed services even though they were not
4 enrolled at a state institution at the time of their discharge, if they
5 have evidenced an intent to establish domicile in South Carolina
6 and if they have resided in South Carolina for a period of at least
7 twelve months immediately preceding their discharge.”

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9 SECTION 2. This act takes effect upon approval by the Governor.

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REPORT OF THE SALES AND INCOME TAX SUBCOMMITTEE

(Littlejohn, Battle, Edge, Lucas & Simrill - Staff Contact: Kara Corbett)

HOUSE BILL 3768

H. 3768 -- Rep. Chalk: A BILL TO AMEND SECTION 4-10-25, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EXEMPTION OF CERTAIN CONSTRUCTION CONTRACTS FROM A LOCAL OPTION SALES TAX FOR COUNTY OR MUNICIPAL OPERATIONS UNDER WHICH TANGIBLE PERSONAL PROPERTY IS TO BE DELIVERED AFTER THE IMPOSITION DATE OF THE TAX, SO AS TO REVISE THE TERMS AND CONDITIONS UNDER WHICH THESE CONSTRUCTION CONTRACTS ARE EXEMPT.

Summary of Bill:

This bill revises terms and conditions relating to the exemption of certain construction contracts from a local option sales tax for county or municipal operations under which tangible personal property is to be delivered after the imposition date of the tax.

Introduced: 3/25/2009

Received by Ways and Means: 3/25/2009

Estimated Fiscal Impact:

The South Carolina Department of Revenue reports there is no fiscal impact with the adoption of this Bill.

Subcommittee Recommendation:

Bill Passed to Full Committee as is.

Full Committee Recommendation:

Pending

Other Notes/Comments:

FISCAL IMPACT STATEMENT ON BILL NO. **H.3768**

(Doc. No. 20214sd09.docx)

TO: The Honorable Daniel T. Cooper, Chairperson, House Ways and Means Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: K. Earle Powell
DATE: March 9, 2010 SBD: 2010154

AUTHOR: Representative Chalk PRIMARY CODE CITE: 4-10-25
SUBJECT: Sales and Use Tax

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 3768 amends the Code of Laws of South Carolina, 1976, relating to the exemption of certain construction contracts from a local option sales tax for a county or municipality.

EXPLANATION OF IMPACT:

The South Carolina Department of Revenue reports there is no fiscal impact with the adoption of this Bill.

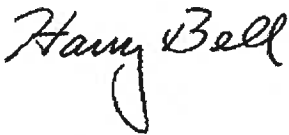
LOCAL GOVERNMENT IMPACT:

The FIST network of local governments was surveyed to determine the impact of this Bill. Respondents indicated that there is no fiscal impact with the adoption of this Bill.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

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A BILL

TO AMEND SECTION 4-10-25, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EXEMPTION OF CERTAIN CONSTRUCTION CONTRACTS FROM A LOCAL OPTION SALES TAX FOR COUNTY OR MUNICIPAL OPERATIONS UNDER WHICH TANGIBLE PERSONAL PROPERTY IS TO BE DELIVERED AFTER THE IMPOSITION DATE OF THE TAX, SO AS TO REVISE THE TERMS AND CONDITIONS UNDER WHICH THESE CONSTRUCTION CONTRACTS ARE EXEMPT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 4-10-25 of the 1976 Code, as last amended by Act 181 of 1993, is further amended to read:

“Section 4-10-25. The gross proceeds of sales of tangible personal property delivered after the imposition date of the tax levied under Section 4-10-20 in a county, either under the terms of a construction contract executed before the imposition date, or a written bid submitted before the imposition date, culminating in a construction contract entered into ~~before or after the imposition date~~ within six months of the written bid, are exempt from the local sales and use tax provided in Section 4-10-20 if a verified copy of the contract is filed with the South Carolina Department of Revenue ~~within six months after the imposition of the local sales and use tax.~~”

SECTION 2. This act takes effect upon approval by the Governor.

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REPORT OF THE SALES AND INCOME TAX SUBCOMMITTEE

(Littlejohn, Battle, Edge, Lucas & Simrill - Staff Contact: Katie Owen)

HOUSE BILL 3122

H. 3122 -- Rep. Huggins: A BILL TO AMEND SECTION 12-60-430, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE FAILURE OF A TAXPAYER TO MAKE A REPORT OR FILE A RETURN REQUIRED BY LAW OR A TAXPAYER WHO FILES A FRIVOLOUS RETURN, SO AS TO FURTHER PROVIDE FOR THE INFORMATION THE DEPARTMENT MUST CONSIDER WHEN MAKING AN ESTIMATE OF THE TAX LIABILITY OF THE TAXPAYER UNDER THESE CIRCUMSTANCES.

Summary of Bill:

This bill revises provisions relating to the failure of a taxpayer to make a report or file a return required by law or a taxpayer who files a frivolous return, so as to further provide for the information the Department of Revenue must consider when making an estimate of the tax liability of the taxpayer under these circumstances

Introduced: 1/13/2009

Received by Ways and Means: 1/13/2009

Estimated Fiscal Impact:

The Department of Revenue reports this Bill will have no fiscal impact on the General Fund of the State or Federal and/or Other funds.

Subcommittee Recommendation:

Favorable with Amendment(s)

Full Committee Recommendation:

Pending

Other Notes/Comments:

[CLICK HERE](#) to Edit Notes/Comments

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

DRAFFIN/KUBALA
APRIL 15, 2009

CLERK OF THE HOUSE

REP. LITTLEJOHN PROPOSES THE FOLLOWING AMENDMENT
No. TO H. 3122
(DOCUME~1\KATIEO~1\LOCALS~1\TEMP\XPGRPWISE\20284SD09):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING SUBSECTION (C) OF SECTION 12-60-430
OF THE 1976 CODE, AS CONTAINED IN SECTION
1 AND INSERTING:**

**/(C) THE 'BEST INFORMATION AVAILABLE' FOR
PURPOSES OF SUBSECTIONS (A) AND (B) OF THIS
SECTION MEANS EITHER PREVIOUS RETURNS
FILED BY THE TAXPAYER, IF ANY, OR
INFORMATION SUPPLIED BY THE TAXPAYER UPON**

**REQUEST OF THE DEPARTMENT SENT BY FIRST
CLASS MAIL, RETURN RECEIPT REQUESTED, IF NO
PREVIOUS RETURNS HAVE BEEN FILED. /**

**RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**

FISCAL IMPACT STATEMENT ON BILL NO. **H.3122**

(Doc. No. 20009sd09.docx)

TO: The Honorable Daniel T. Cooper, Chairman, House Ways and Means Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Torina Wood
DATE: April 7, 2009 SBD: 2009390

AUTHOR: Representative Huggins PRIMARY CODE CITE: 12-60-430
SUBJECT: Tax Returns

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 3122 amends Section 12-60-430 of the Code of Laws of South Carolina, 1976, as amended, relating to the failure of a taxpayer to make a report or file a return required by law or a taxpayer who files a frivolous return, so as to further provide for the information the Department of Revenue must consider when making an estimate of tax liability of the taxpayer under these circumstances.

EXPLANATION OF IMPACT:

The Department of Revenue reports this Bill will have no fiscal impact on the General Fund of the State or Federal and/or Other funds.

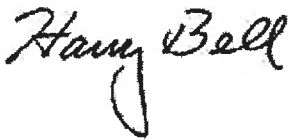
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

South Carolina General Assembly
118th Session, 2009-2010

H. 3122

STATUS INFORMATION

General Bill

Sponsors: Rep. Huggins

Document Path: I:\council\bills\gjk\20009sd09.docx

Companion/Similar bill(s): 122

Introduced in the House on January 13, 2009

Currently residing in the House Committee on **Ways and Means**

Summary: Tax returns

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
12/16/2008	House	Prefiled
12/16/2008	House	Referred to Committee on Ways and Means
1/13/2009	House	Introduced and read first time HJ-56
1/13/2009	House	Referred to Committee on Ways and Means HJ-56

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VERSIONS OF THIS BILL

12/16/2008

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A BILL

TO AMEND SECTION 12-60-430, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE FAILURE OF A TAXPAYER TO MAKE A REPORT OR FILE A RETURN REQUIRED BY LAW OR A TAXPAYER WHO FILES A FRIVOLOUS RETURN, SO AS TO FURTHER PROVIDE FOR THE INFORMATION THE DEPARTMENT MUST CONSIDER WHEN MAKING AN ESTIMATE OF THE TAX LIABILITY OF THE TAXPAYER UNDER THESE CIRCUMSTANCES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12-60-430 of the 1976 Code, as last amended by Act 116 of 2007, is further amended by adding:

“(C) The ‘best information available’ for purposes of this subsections (A) and (B) of this section means either previous returns filed by the taxpayer, if any, or information supplied by the taxpayer upon request of the department sent by first class mail, return receipt requested, if no previous returns have been filed. If no previous returns of the taxpayer have been filed and if the taxpayer fails to respond to the request for information, the department may then make a good faith estimate of the liability of the taxpayer based on other relevant factors including the experience of other similarly situated taxpayers.”

SECTION 2. This act takes effect upon approval by the Governor.

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REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Herbkersman, Bingham, Cobb-Hunter, Ott & JR Smith - Staff Contact: Marc Aquino)

SENATE BILL 728

S. 728 -- Senators Hayes, Fair and Ford: A BILL TO AMEND SECTION 12-65-30, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ENTITLEMENT TO TAX CREDITS UNDER THE TEXTILES COMMUNITIES REVITALIZATION ACT, SO AS TO FURTHER PROVIDE FOR THE APPLICABILITY OF SPECIFIC REQUIREMENTS FOR TEXTILE MILL SITES ACQUIRED BEFORE AND AFTER 2007, TO REVISE THE ALLOWABLE AMOUNT OF THE CREDITS IN CERTAIN INSTANCES, TO PROVIDE THAT THE TAX CREDITS ALLOWED INCLUDE CREDITS AGAINST INSURANCE PREMIUM TAXES, TO MAKE A TECHNICAL CORRECTION, AND TO FURTHER PROVIDE FOR THE MANNER IN WHICH THESE CREDITS ARE VESTED IN A TAXPAYER AND MAY BE ALLOCATED TO PARTNERS OR MEMBERS; BY ADDING SECTION 12-65-50 SO AS TO PROVIDE TRANSITION RULES APPLICABLE TO SPECIFIC MILL SITES; AND BY ADDING SECTION 12-65-60 SO AS TO FURTHER PROVIDE FOR THE ELIGIBILITY CERTIFICATION PROCESS.

Summary of Bill:

Extends tax credits under the Textiles Communities Revitalization act to further expand the application of credit against insurance premiums and license taxes.

Introduced: 2/4/2010

Received by Ways and Means: 2/4/2010

Estimated Fiscal Impact:

\$57,692 in FY2009-2010

Subcommittee Recommendation:

Favorable with Amendment

Full Committee Recommendation:

Pending

Other Notes/Comments:

Expansion of credit would likely to add two more persons filing according to the Fiscal Impact statement (currently ~52 persons file for these exemptions). Amendment: Changes "last used as a textile facility," to "initially used as a textile facility."

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

CONE/DOWNEY
APRIL 14, 2010

CLERK OF THE HOUSE

THE ECONOMIC DEVELOPMENT SUBCOMMITTEE PROPOSES
THE FOLLOWING AMENDMENT No. TO S. 728
(DOCUMENTS AND
SETTINGS\MARCAQUINO\LOCAL
SETTINGS\TEMPORARY INTERNET
FILES\CONTENT.OUTLOOK\PDR2J90E\12252HTC10):

REFERENCE IS TO THE BILL AS PASSED BY SENATE.

**AMEND THE BILL, AS AND IF AMENDED, BY
ADDING AN APPROPRIATELY NUMBERED
SECTION TO READ:**

**/ SECTION __.SECTION 12-65-20(3) OF THE
1976 CODE IS AMENDED TO READ:**

“(3) ‘TEXTILE MILL’ MEANS A FACILITY OR FACILITIES THAT WERE ~~LAST~~ INITIALLY USED FOR TEXTILE MANUFACTURING, DYING, OR FINISHING OPERATIONS AND FOR ANCILLARY USES TO THOSE OPERATIONS.” /

AMEND FURTHER, AS AND IF AMENDED, BY STRIKING SECTION 12-65-30(D) AS CONTAINED IN SECTION 1, PAGE 5 AND INSERTING:

/ (D) A TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT IF THE FACILITY HAS PREVIOUSLY RECEIVED TEXTILE MILL CREDITS, OR IF THE TAXPAYER OWNED THE OTHERWISE ELIGIBLE TEXTILE MILL SITE WHEN THE SITE WAS OPERATIONAL AND IMMEDIATELY PRIOR TO ITS ABANDONMENT. /

**RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 19, 2009

Bill Number: S.B. 728

Author: Hayes

Committee Requesting Impact: Senate Finance Committee

Bill Summary

A bill to amend Section 12-65-30, of the Code of Laws of South Carolina, 1976, relating to the entitlement to tax credits under the Textiles Communities Revitalization Act, so as to further provide for the applicability of specific requirements for textile mill sites acquired before and after 2007, to revise the allowable amount of the credits in certain instances, to provide that the tax credits allowed include credits against insurance premium taxes, to make a technical correction, and to further provide for the manner in which these credits are vested in a taxpayer and may be allocated to partners or members; by adding Section 12-65-50 so as to provide transition rules applicable to specific mill sites; and by adding Section 12-65-60 so as to further provide for the eligibility certification process.

REVENUE IMPACT ^{1/}

This bill is expected to reduce General Fund insurance premium taxes an estimated \$57,692 in FY2009-10.

Explanation

Enacted in 2005, the textile rehabilitation credits allow a taxpayer an income/license tax credit or property tax credit for the renovation, improvement, and redevelopment of abandoned textile mills in South Carolina. This bill amends Chapter 65 of Title 12 to allow a taxpayer that rehabilitates a textile mill site to apply a credit for qualified rehabilitation costs against insurance premium taxes imposed by Chapter 7, Title 38. The income or license tax credit is equal to twenty-five percent of the qualified rehabilitation expenses. The real property tax credit is equal to twenty-five percent of the qualified rehabilitation expenses made to the eligible site up to seventy-five percent of the real property taxes due on the site each year. According to the latest figures from the Department of Revenue, nearly \$1,500,000 of credits were claimed by 52 tax filers in FY2006-07. This was an average of \$28,846 per taxpayer during the latest year for which these data are available. Many of these rehabilitated textile mills have been converted into specialized textile operations, retail shopping areas, and even service-related businesses. The expansion of the application of the credit against insurance premium and license taxes increases the total pool of available taxes to which the credit can be applied. It is reasonable to expect that with the expansion of the available tax base, the credit will continue to be claimed at its historical level. Applying an average credit amount of \$28,846 per tax filer for two tax filers yields an estimated reduction of General Fund insurance premium taxes of \$57,692 in FY2009-10.

/s/ WILLIAM C. GILLESPIE, PH.D.

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Martin

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

South Carolina General Assembly
118th Session, 2009-2010

S. 728

STATUS INFORMATION

General Bill

Sponsors: Senators Hayes, Fair and Ford

Document Path: l:\council\billsgjk\20291sd09.docx

Introduced in the Senate on April 21, 2009

Introduced in the House on February 4, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Textile mill sites

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
4/21/2009	Senate	Introduced and read first time <u>SJ-8</u>
4/21/2009	Senate	Referred to Committee on Finance <u>SJ-8</u>
1/20/2010	Senate	Committee report: Favorable Finance <u>SJ-7</u>
1/21/2010		Scrivener's error corrected
1/26/2010	Senate	Read second time <u>SJ-12</u>
2/3/2010	Senate	Read third time and sent to House <u>SJ-38</u>
2/4/2010	House	Introduced and read first time <u>HJ-24</u>
2/4/2010	House	Referred to Committee on Ways and Means <u>HJ-24</u>

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VERSIONS OF THIS BILL

4/21/2009

1/20/2010

1/21/2010

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 COMMITTEE REPORT

5 January 20, 2010

6

7 **S. 728**

8

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Introduced by Senators Hayes and Fair

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11 S. Printed 1/20/10--S.

[SEC 1/21/10 12:49 PM]

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Read the first time April 21, 2009.

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THE COMMITTEE ON FINANCE

16

To whom was referred a Bill (S. 728) to amend Section 12-65-30, Code of Laws of South Carolina, 1976, relating to the entitlement to tax credits under the Textiles Communities Revitalization Act, etc., respectfully

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REPORT:

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That they have duly and carefully considered the same and recommend that the same do pass:

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HUGH K. LEATHERMAN, SR. for Committee.

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STATEMENT OF ESTIMATED FISCAL IMPACT

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REVENUE IMPACT ^{1/}

29

This bill is expected to reduce general fund insurance premium taxes an estimated \$57,692 in FY2009-10.

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Explanation

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Enacted in 2005, the textile rehabilitation credits allow a taxpayer an income/license tax credit or property tax credit for the renovation, improvement, and redevelopment of abandoned textile mills in South Carolina. This bill amends Chapter 65 of Title 12 to allow a taxpayer that rehabilitates a textile mill site to apply a credit for qualified rehabilitation costs against insurance premium taxes imposed by Chapter 7, Title 38. The income or license tax credit is equal to twenty-five percent of the qualified rehabilitation expenses. The real property tax credit is equal to twenty-five percent of the qualified rehabilitation expenses made to the eligible site up to seventy-five percent of the real property taxes due on the

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1 site each year. According to the latest figures from the Department
2 of Revenue, nearly \$1,500,000 of credits was claimed by 52 tax
3 filers in FY2006-07. This was an average of \$28,846 per taxpayer
4 during the latest year for which these data are available. Many of
5 these rehabilitated textile mills have been converted into
6 specialized textile operations, retail shopping areas, and even
7 service-related businesses. The expansion of the application of the
8 credit against insurance premium and license taxes increases the
9 total pool of available taxes to which the credit can be applied. It is
10 reasonable to expect that with the expansion of the available tax
11 base, the credit will continue to be claimed at its historical level.
12 Applying an average credit amount of \$28,846 per tax filer for two
13 tax filers yields an estimated reduction of general fund insurance
14 premium taxes of \$57,692 in FY2009-10.

15
16 *Approved By:*
17 William C. Gillespie
18 Board of Economic Advisors
19

20 1/ This statement meets the requirement of Section 2-7-71 for a state revenue
21 impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-
22 85(B) for an estimate of the shift in local property tax incidence by the Office of
23 Economic Research.

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A BILL

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11 TO AMEND SECTION 12-65-30, CODE OF LAWS OF SOUTH
12 CAROLINA, 1976, RELATING TO THE ENTITLEMENT TO
13 TAX CREDITS UNDER THE TEXTILES COMMUNITIES
14 REVITALIZATION ACT, SO AS TO FURTHER PROVIDE
15 FOR THE APPLICABILITY OF SPECIFIC REQUIREMENTS
16 FOR TEXTILE MILL SITES ACQUIRED BEFORE AND
17 AFTER 2007, TO REVISE THE ALLOWABLE AMOUNT OF
18 THE CREDITS IN CERTAIN INSTANCES, TO PROVIDE
19 THAT THE TAX CREDITS ALLOWED INCLUDE CREDITS
20 AGAINST INSURANCE PREMIUM TAXES, TO MAKE A
21 TECHNICAL CORRECTION, AND TO FURTHER PROVIDE
22 FOR THE MANNER IN WHICH THESE CREDITS ARE
23 VESTED IN A TAXPAYER AND MAY BE ALLOCATED TO
24 PARTNERS OR MEMBERS; BY ADDING SECTION 12-65-50
25 SO AS TO PROVIDE TRANSITION RULES APPLICABLE TO
26 SPECIFIC MILL SITES; AND BY ADDING SECTION 12-65-60
27 SO AS TO FURTHER PROVIDE FOR THE ELIGIBILITY
28 CERTIFICATION PROCESS.

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30 Be it enacted by the General Assembly of the State of South
31 Carolina:

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33 SECTION 1. Section 12-65-30 of the 1976 Code, as added by Act
34 313 of 2008, is amended to read:

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36 "Section 12-65-30. (A) Subject to the terms and conditions of
37 this chapter, a taxpayer who rehabilitates a textile mill site is
38 eligible for either:

39 (1) a credit against real property taxes levied by local taxing
40 entities; or

41 (2) a credit against income taxes imposed pursuant to
42 Chapter 6 and Chapter 11 of this title or corporate license fees

1 pursuant to Chapter 20 of this title, or ~~both~~ insurance premium
2 taxes imposed by Chapter 7, Title 38, or any of them.

3 (B) If the taxpayer elects to receive the credit pursuant to
4 subsection (A)(1), the following provisions apply:

5 (1) The taxpayer shall file a Notice of Intent to Rehabilitate
6 with the municipality, or the county if the textile mill site is located
7 in an unincorporated area, in which the textile mill site is located
8 before incurring its first rehabilitation expenses at the textile mill
9 site. Failure to provide the Notice of Intent to Rehabilitate results
10 in qualification of only those rehabilitation expenses incurred after
11 notice is provided.

12 (2) Once the Notice of Intent to Rehabilitate has been
13 provided to the county or municipality, the municipality or the
14 county shall first by resolution determine the eligibility of the
15 textile mill site and the proposed rehabilitation expenses for the
16 credit. A proposed rehabilitation of a textile mill site must be
17 approved by a positive majority vote of the local governing body.
18 For purposes of this subsection, 'positive majority vote' is as
19 defined in Section 6-1-300(5). If the county or municipality
20 determines that the textile mill site and the proposed rehabilitation
21 expenses are eligible for the credit, there must be a public hearing
22 and the municipality or county shall approve the textile mill site
23 for the credit by ordinance. Before approving a textile mill site for
24 the credit, the municipality or county shall make a finding that the
25 credit does not violate a covenant, representation, or warranty in
26 any of its tax increment financing transactions or an outstanding
27 general obligation bond issued by the county or municipality.

28 (3)(a) The amount of the credit is equal to twenty-five
29 percent of the actual rehabilitation expenses made at the textile
30 mill site times the local taxing entity ratio of each local taxing
31 entity that has consented to the credit pursuant to item (4), if the
32 actual rehabilitation expenses incurred in rehabilitating the textile
33 mill site are between eighty percent and one hundred twenty-five
34 percent of the estimated rehabilitation expenses set forth in the
35 Notice of Intent to Rehabilitate. If the actual rehabilitation
36 expenses exceed one hundred twenty-five percent of the estimated
37 expenses set forth in the Notice of Intent to Rehabilitate, the
38 taxpayer qualifies for the credit based on one hundred twenty-five
39 percent of the estimated expenses as opposed to the actual
40 expenses it incurred in rehabilitating the textile mill site. If the
41 actual rehabilitation expenses are below eighty percent of the
42 estimated rehabilitation expenses, the credit is not allowed. The
43 ordinance must provide for the credit to be taken as a credit against

1 up to seventy-five percent of the real property taxes due on the
2 textile mill site each year for up to eight years.

3 (b) The local taxing entity ratio is set as of the time the
4 Notice of Intent to Rehabilitate is filed and remains set for the
5 entire period that the credit may be claimed by the taxpayer.

6 (4) Not fewer than forty-five days before holding the public
7 hearing required by subsection (B)(2), the governing body of the
8 municipality or county shall give notice to all affected local taxing
9 entities in which the textile mill site is located of its intention to
10 grant a credit against real property taxes for the textile mill site and
11 the amount of estimated credit proposed to be granted based on the
12 estimated rehabilitation expenses. If a local taxing entity does not
13 file an objection to the tax credit with the municipality or county
14 on or before the date of the public hearing, the local taxing entity is
15 considered to have consented to the tax credit.

16 (5) The credit against real property taxes for each applicable
17 phase or portion of the textile mill site may be claimed beginning
18 for the property tax year in which the applicable phase or portion
19 of the textile mill site is first placed in service.

20 (C) ~~If the taxpayer has acquired the textile mill site after~~
21 ~~December 31, 2007, and elects to receive the credit pursuant to~~
22 ~~subsection (A)(2), the following provisions apply:~~

23 (1) ~~The taxpayer shall file with the department a notice of~~
24 ~~Intent to Rehabilitate before incurring its first amount of the credit~~
25 ~~is equal to twenty-five percent of the actual rehabilitation expenses~~
26 ~~made at the textile mill site. Failure to provide the Notice of Intent~~
27 ~~to Rehabilitate results in qualification of only those rehabilitation~~
28 ~~expenses incurred after the notice is provided.~~

29 (2) ~~The amount of the credit is equal to twenty five percent~~
30 ~~of the actual rehabilitation expenses made at the textile mill site if~~
31 ~~the actual rehabilitation expenses incurred in rehabilitating the~~
32 ~~textile mill site are between eighty percent and one hundred~~
33 ~~twenty five percent of the estimated rehabilitation expenses set~~
34 ~~forth in the Notice of Intent to Rehabilitate. If the actual~~
35 ~~rehabilitation expenses exceed one hundred twenty five percent of~~
36 ~~the estimated expenses set forth in the Notice of Intent to~~
37 ~~Rehabilitate, the taxpayer qualifies for the credit based on one~~
38 ~~hundred twenty five percent of the estimated expenses as opposed~~
39 ~~to the actual expenses it incurred in rehabilitating the textile mill~~
40 ~~site. If the actual rehabilitation expenses are below eighty percent~~
41 ~~of the estimated rehabilitation expenses, the credit is not allowed.~~
42 If the taxpayer has acquired the textile mill site after December 31,
43 2007, the provisions of this item (2) apply to the textile mill site;

1 provided, however, that transfers between affiliated taxpayers of
2 phases of any textile mill site may not be deemed an acquisition
3 for this purpose. The taxpayer shall file with the department a
4 Notice of Intent to Rehabilitate prior to receiving the building
5 permits for the applicable rehabilitation at the textile mill site or
6 phase thereof. Failure to provide the Notice of Intent to
7 Rehabilitate prior to receiving the building permits for the
8 applicable rehabilitation at the textile mill site or phase thereof
9 results in qualification of only those rehabilitation expenses
10 incurred after the notice is provided. If the actual rehabilitation
11 expenses exceed one hundred twenty-five percent of the estimated
12 expenses set forth in the Notice of Intent to Rehabilitate, the
13 taxpayer qualifies for the credit based on one hundred twenty-five
14 percent of the estimated expenses as opposed to the actual
15 expenses incurred in rehabilitating the textile mill site.

16 (3) The entire credit is earned in the taxable year in which
17 the applicable phase or portion of the textile mill site is placed in
18 service but must be taken in equal installments over a five-year
19 period beginning with the tax year in which the applicable phase or
20 portion of the textile mill site is placed in service. Unused credit
21 may be carried forward for the succeeding five years.

22 (4) If the taxpayer qualifies for both the credit allowed by
23 this subsection and the credit allowed pursuant to Section
24 12-6-3535, the taxpayer may claim both credits.

25 (5) The credit allowed by this subsection is limited in use to
26 fifty percent of either each of the following:

27 (a) the taxpayer's income tax liability for the taxable year
28 if taxpayer claims the credit allowed by this section as a credit
29 against income tax imposed pursuant to Chapter 6 or Chapter 11 of
30 this title;

31 (b) the taxpayer's corporate license fees for the taxable
32 year if the taxpayer claims the credit allowed by this section as a
33 credit against license fees imposed pursuant to Chapter 20; or

34 (c) the taxpayer's insurance premium taxes imposed by
35 Chapter 7, Title 38.

36 (6)(a) If the taxpayer leases the textile mill site, or part of the
37 textile mill site, the taxpayer may transfer any applicable
38 remaining credit associated with the rehabilitation expenses
39 incurred with respect to that part of the site to the lessee of the site.
40 The provisions of item ~~(5)~~ (7) of this subsection apply to a lessee
41 that is an entity taxed as a partnership. If a taxpayer sells the
42 textile mill site, or any phase or portion of the textile mill site, the
43 taxpayer may transfer all, or part of the remaining credit,

1 associated with the rehabilitation expenses incurred with respect to
2 that phase or portion of the site to the purchaser of the applicable
3 portion of the textile mill site.

4 (b) To the extent that the taxpayer transfers the credit, the
5 taxpayer must notify the department of the transfer in the manner
6 the department prescribes.

7 (7) To the extent that the taxpayer is a partnership or a
8 limited liability company taxed as a partnership, the credit may be
9 passed through to the partners or members and may be allocated by
10 the taxpayer among any of its partners or members on an annual
11 basis including, without limitation, an allocation of the entire credit
12 to one any partner or member who was a member or partner at any
13 time during the year in which the credit is allocated.

14 (D) A taxpayer is not eligible for the credit if the taxpayer
15 owned the otherwise eligible textile mill site when the site was
16 operational and immediately prior to its abandonment.”

17
18 SECTION 2. Chapter 65, Title 12 of the 1976 Code is amended
19 by adding:

20
21 “Section 12-65-50. (A) Entire textile mill sites placed in service
22 on or before December 31, 2007, must be governed by the former
23 provisions of Chapter 32, Title 6, in effect as of December 31,
24 2007.

25 (B) The provisions of this chapter shall apply to all textile mill
26 sites or portions thereof placed in service on or after January 1,
27 2008.

28 (C) For any textile mill sites in which a portion but not all of
29 the textile mill site was placed in service on or before December
30 31, 2007, the taxpayer may elect to either:

31 (1) have the portion of the textile mill site that was placed in
32 service on or before December 31, 2007, governed by the former
33 provisions of Chapter 32, Title 6, in effect as of December 31,
34 2007, as if the portion were an entire textile mill site; or

35 (2) have the portion be governed by this chapter such that
36 the portion must be deemed to be a phase of the textile mill site
37 placed in service on a date subsequent to December 31, 2007,
38 identified by the taxpayer.”

39
40 SECTION 3. Chapter 65, Title 12 of the 1976 Code is amended
41 by adding:

42

1 "Section 12-65-60. The taxpayer may apply to the municipality
2 or county in which the textile mill site is located for a certification
3 of the textile mill site made by ordinance or binding resolution of
4 the governing body of the municipality or county. The
5 certification shall include findings that the:

6 (1) textile mill site was a textile mill as defined in Section
7 12-65-20(3);

8 (2) textile mill site has been abandoned as defined in Section
9 12-65-20(1); and

10 (3) geographic area of the textile mill site consistent with
11 Section 12-65-20(4).

12 The taxpayer may conclusively rely upon the certification in
13 determining the credit allowed; provided, however, that if the
14 taxpayer is relying upon the certification, the taxpayer shall
15 include a copy of the certification on the first return for which the
16 credit is claimed."

17
18 SECTION 4. This act takes effect upon approval by the Governor.

19 ----XX----

REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Herbkersman, Bingham, Cobb-Hunter, Ott & JR Smith - Staff Contact: Marc Aquino)

SENATE BILL 1066

S. 1066 -- Senators O'Dell and Sheheen: A BILL TO AMEND CHAPTER 6, TITLE 12 OF THE 1976 CODE, BY ADDING SECTION 12-6-3595 TO PROVIDE A TAX CREDIT EQUAL TO ONE HUNDRED PERCENT OF AN AMOUNT CONTRIBUTED TO THE SOUTH CAROLINA EXISTING MANUFACTURERS' RETENTION AND GROWTH FUND, TO PROVIDE THAT THE CREDIT MAY NOT EXCEED FIVE HUNDRED THOUSAND DOLLARS FOR A SINGLE TAXPAYER AND NOT TO EXCEED AN AGGREGATE OF FOUR MILLION DOLLARS FOR EACH TAX YEAR, AND TO PROVIDE THE PROCESS AND REQUIREMENTS FOR CLAIMING THE CREDIT.

Summary of Bill:

Provides a tax credit of 100% of an amount equal to the amount contributed to the SC Manufacturer's retention and growth fund. The credit may not exceed \$500,000 per taxpayer or \$2,000,000 each tax year.

Introduced: 2/16/2010

Received by Ways and Means: 2/16/2010

Estimated Fiscal Impact:

The bill would decrease General Fund individual income tax, corporate income tax, bank tax, license fees, and insurance premiums taxes by an estimated \$4,000,000 in FY2010-2011

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Other Notes/Comments:

SC Manufacturing Extension Partnership was established in 1989 under the US Dept. of Commerce.

South Carolina Board of Economic Advisors Statement of Estimated State Revenue Impact

Date: February 8, 2010 (As amended February 3, 2010 by the Senate Finance Committee)
Bill Number: S.B. 1066
Author: O'Dell

Committee Requesting Impact: Senate

Bill Summary

A bill to amend Chapter 6, Title 12 of the 1976 of the Code of Laws, by adding Section 12-6-3595 to provide a tax credit equal to one hundred percent of an amount contributed to the South Carolina Existing Manufacturers' Retention and Growth Fund, to provide that the credit may not exceed five hundred thousand dollars for a single taxpayer and not to exceed an aggregate of four million dollars for each tax year, and to provide the process and requirements for claiming the credit.

REVENUE IMPACT ^{1'}

This amended bill would reduce General Fund individual income tax, corporate income tax, bank tax, license fees, and insurance premium taxes by an estimated \$750,000 in FY2010-11, by \$1,500,000 in FY2011-12, and by \$2,000,000 in FY2012-13 and each year thereafter until FY2016-17.

Explanation of Amendment (February 3, 2010) – By the Senate Finance Committee

This amendment would strike all after the enacting words and insert the following:

This amended bill would add Section 12-6-3595 to allow a taxpayer to claim a nonrefundable state income tax credit of 100% of the amount contributed to the South Carolina Existing Manufacturers' Retention and Growth Fund at the South Carolina Manufacturing Extension Partnership (SCMEP) up to the following limits:

- (1) a maximum credit of \$150,000 for a single taxpayer, not to exceed an aggregate credit of \$750,000 for all taxpayers for tax year 2010;
- (2) a maximum credit of \$150,000 for a single taxpayer, not to exceed an aggregate credit of \$1,500,000 for all taxpayers for tax year 2011;
- (3) a maximum credit of \$150,000 for a single taxpayer, not to exceed an aggregate credit of \$2,000,000 for all taxpayers beginning after December 31, 2011, and ending before January 1, 2017.

The credit may be claimed against a taxpayer's individual income, corporate income, bank tax, license fees, or insurance premiums taxes, or any combination of them. Any unused credit may be carried forward for ten years after the qualified contribution has been made. If in a tax year when more than the aggregate annual credit limit is contributed, the SCMEP shall establish a priority to those taxpayers that contribute or express an intention of making one or more qualified contributions earlier in the applicable tax year than other taxpayers. The SCMEP shall certify to taxpayers who express a bona fide intention of making one or more qualified contributions as to whether the taxpayer is entitled to that priority. The taxpayer would obtain a receipt of the qualified contribution from SCMEP, and the Department of Revenue may require the form to be attached to the taxpayer's income tax return or be provided to the department. The corporation or partnership may assign its rights to the tax credit and transfer ownership of the unused tax credit if the corporation or partnership is the target of a merger, consolidation, or reorganization into another corporation or partnership. Because these contributions can be applied against a wide array of taxes, the aggregate credit limit of \$2,000,000 for all taxpayers

South Carolina Board of Economic Advisors Statement of Estimated State Revenue Impact

would be obtained. This bill would reduce General Fund income tax, bank tax, license fees, and insurance premium taxes by an estimated \$750,000 in FY2010-11, by \$1,500,000 in FY2011-12, and by \$2,000,000 in FY2012-13 and each year thereafter until FY2016-17. This bill would be effective upon approval by the Governor and applies to contributions made between January 1, 2010 and December 31, 2016.

Explanation of Bill filed January 20, 2010

The South Carolina Manufacturing Extension Partnership (SCMEP) was established in 1989 under the U.S. Department of Commerce's National Institute of Standards and Technology. The program started with regional centers in three states – South Carolina, Ohio, and New York. The mission of these regional centers was to support the transfer of manufacturing technology to improve the productivity and technological capabilities of America's small manufacturers. This bill would add Section 12-6-3595 to allow a taxpayer to claim a nonrefundable state income tax credit of 100% of the amount contributed to the South Carolina Existing Manufacturers' Retention and Growth Fund at the South Carolina Manufacturing Extension Partnership (SCMEP). The tax credit is limited to \$500,000 for a single taxpayer and may not exceed an aggregate credit of \$4,000,000 for all taxpayers for each tax year beginning in tax year 2010. The credit may be claimed against a taxpayer's individual income, corporate income, bank tax, license fees, or insurance premiums taxes, or any combination of them. Any unused credit may be carried forward for ten years after the qualified contribution has been made. If in a tax year when more than the aggregate annual credit limit is contributed, the SCMEP shall establish a priority to those taxpayers that contribute or express an intention of making one or more qualified contributions earlier in the applicable tax year than other taxpayers. The taxpayer would obtain a receipt of the qualified contribution from SCMEP, and the Department of Revenue may require the form to be attached to the taxpayer's income tax return or be provided to the department. The corporation or partnership may assign its rights to the tax credit and transfer ownership of the unused tax credit if the corporation or partnership is the target of a merger, consolidation, or reorganization into another corporation or partnership. Because these contributions can be applied against a wide array of taxes, the aggregate credit limit of \$4,000,000 for all taxpayers would be obtained. This bill would reduce General Fund income tax, bank tax, license fees, and insurance premium taxes by an estimated \$4,000,000 in FY2010-11. This bill would be effective upon approval by the Governor and applies to contributions made after December 31, 2009.

/s/ WILLIAM C. GILLESPIE, PH.D.

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Martin

¹¹ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

South Carolina General Assembly
118th Session, 2009-2010

S. 1066

STATUS INFORMATION

General Bill

Sponsors: Senators O'Dell and Sheheen

Document Path: I:\s-financ\drafting\who\001manu.dag.who.docx

Introduced in the Senate on January 20, 2010

Introduced in the House on February 16, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Tax credit

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
1/20/2010	Senate	Introduced and read first time <u>SJ-3</u>
1/20/2010	Senate	Referred to Committee on Finance <u>SJ-3</u>
2/3/2010	Senate	Committee report: Favorable with amendment Finance <u>SJ-34</u>
2/4/2010	Senate	Committee Amendment Adopted <u>SJ-12</u>
2/4/2010	Senate	Read second time <u>SJ-12</u>
2/9/2010		Scrivener's error corrected
2/9/2010	Senate	Read third time and sent to House <u>SJ-18</u>
2/16/2010	House	Introduced and read first time <u>HJ-10</u>
2/16/2010	House	Referred to Committee on Ways and Means <u>HJ-10</u>

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VERSIONS OF THIS BILL

1/20/2010

2/3/2010

2/4/2010

2/9/2010

1 COMMITTEE AMENDMENT ADOPTED

2 February 4, 2010

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S. 1066

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Introduced by Senators O'Dell and Sheheen

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S. Printed 2/4/10--S.

[SEC 2/9/10 12:58 PM]

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Read the first time January 20, 2010.

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[1066-1]

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9 **A BILL**

10
11 TO AMEND CHAPTER 6, TITLE 12 OF THE 1976 CODE, BY
12 ADDING SECTION 12-6-3595 TO PROVIDE A TAX CREDIT
13 EQUAL TO ONE HUNDRED PERCENT OF AN AMOUNT
14 CONTRIBUTED TO THE SOUTH CAROLINA EXISTING
15 MANUFACTURERS' RETENTION AND GROWTH FUND, TO
16 PROVIDE THAT THE CREDIT MAY NOT EXCEED FIVE
17 HUNDRED THOUSAND DOLLARS FOR A SINGLE
18 TAXPAYER AND NOT TO EXCEED AN AGGREGATE OF
19 FOUR MILLION DOLLARS FOR EACH TAX YEAR, AND TO
20 PROVIDE THE PROCESS AND REQUIREMENTS FOR
21 CLAIMING THE CREDIT.

22 Amend Title To Conform
23

24 Be it enacted by the General Assembly of the State of South
25 Carolina:
26

27 SECTION 1. A. Chapter 6, Title 12 of the 1976 Code is
28 amended by adding:
29

30 "Section 12-6-3595. (A) A taxpayer may claim as a credit
31 against state income tax imposed by Chapter 6 of Title 12, bank
32 tax imposed by Chapter 11 of Title 12, license fees imposed by
33 Chapter 20 of Title 12, or insurance premiums imposed by Chapter
34 7 of Title 38, or any combination of them, one hundred percent of
35 an amount contributed to the South Carolina Small Manufacturers'
36 Retention and Growth Fund at the South Carolina Manufacturing
37 Partnership Extension (SCMEP) up to:

38 (1) a maximum credit of one hundred fifty thousand dollars
39 for a single taxpayer, not to exceed an aggregate credit of seven
40 hundred fifty thousand dollars for all taxpayers for tax year 2010;

41 (2) a maximum credit of one hundred fifty thousand dollars
42 for a single taxpayer, not to exceed an aggregate credit of one

1 million five hundred thousand dollars for all taxpayers for tax year
2 2011; and

3 (3) a maximum credit of one hundred fifty thousand dollars
4 for a single taxpayer, not to exceed an aggregate credit of two
5 million dollars for all taxpayers for years beginning after
6 December 31, 2011, and ending before January 1, 2017.

7 For purposes of determining a taxpayer's entitlement to the
8 credit for qualified contributions for a given tax year in which
9 more than the applicable aggregate annual limit on the credit is
10 contributed by taxpayers for that year, taxpayers who have made
11 contributions that are intended to be qualified contributions earlier
12 in the applicable tax year than other taxpayers must be given
13 priority entitlement to the credit. The SCMEP shall certify to
14 taxpayers who express a bona fide intention of making one or more
15 qualified contributions as to whether the taxpayer is entitled to that
16 priority.

17 (B) The amount of the credit is equal to one hundred percent of
18 the amount of the taxpayer's qualified contributions to the South
19 Carolina Small Manufacturers' Retention and Growth Fund,
20 subject to the limitations in this section. The credit is
21 nonrefundable.

22 (C) The use of the credit is limited to the taxpayer's applicable
23 income or premium tax or license fee liability for the tax year of
24 the taxpayer after the application of all other credits. An unused
25 credit may be carried forward ten tax years after the tax year of the
26 taxpayer during which the qualified contribution was made.

27 (D) A contribution is not a qualified contribution if it is subject
28 to conditions or limitations regarding the use of the contribution.

29 (E) 'Taxpayer' means an individual, corporation, partnership,
30 trust, bank, insurance company, or other entity having a state
31 income or insurance premium tax or license fee liability who has
32 made a qualified contribution.

33 (F) To qualify for the credit, the taxpayer shall retain a form
34 provided by SCMEP identifying the taxpayer and the year and
35 amount of credit for which the taxpayer qualifies. The Department
36 of Revenue may require a copy of the form be attached to the
37 taxpayer's income tax return or be provided otherwise to the
38 department.

39 (G) The department may require information and submissions
40 by the taxpayer as it considers appropriate in relation to a
41 taxpayer's claim of entitlement to the credit.

42 (H) The merger, consolidation, or reorganization of a
43 corporation where tax attributes survive does not create new

1 eligibility in a succeeding corporation, but unused credits may be
2 transferred and continued by the succeeding corporation. In
3 addition, a corporation or partnership may assign its rights to its
4 unused credit to another corporation or partnership if it transfers
5 all, or substantially all, of the assets of the corporation or
6 partnership or all, or substantially all, of the assets of the trade or
7 business or operating division of the corporation or partnership to
8 another corporation or partnership.

9 (I) A taxpayer who claims the credit may not take a deduction
10 in relation to the qualified contribution which gives rise to such
11 credit.

12 (J)(1) There is created the 'South Carolina Small
13 Manufacturers' Retention and Growth Fund' at SCMEP. Any
14 contribution made pursuant to this section must be credited to the
15 fund. SCMEP shall make expenditures from the fund to increase
16 the global competitiveness of South Carolina based small
17 manufacturers by aiding their ability to:

- 18 (a) retain and increase their employees;
- 19 (b) maintain and increase their sales;
- 20 (c) reduce or improve their cost structure; or
- 21 (d) innovate and diversify their products, processes, and
22 markets.

23 (2) For purposes of this subsection, a 'small manufacturer' is
24 a manufacturer with less than two hundred fifty employees prior to
25 receiving aid from SCMEP."

26

27 B. This section takes effect upon approval by the Governor.
28 However, the tax credit provision in this section is only applicable
29 to contributions made between January 1, 2010, and December 31,
30 2016.

31

32 SECTION 2. Beginning after December 31, 2011, SCMEP must
33 provide an annual report by January fifteenth each year to the
34 General Assembly, which shall include, but not be limited to:

35 (1) an independent evaluation by the United States Department
36 of Commerce's National Institute of Standards and Technology of
37 SCMEP;

38 (2) the results of a survey conducted by the United States
39 Department of Commerce of South Carolina small manufacturers
40 served by SCMEP measuring the impact of SCMEP's assistance
41 with those manufacturers; and

42 (3) a complete accounting of the amount and use of funds
43 generated by the tax credits allowed under this act including any

1 amount and use of state funding appropriated to SCMEP for the
2 applicable fiscal year.

3

4 SECTION 3. Except where stated otherwise, this act takes effect
5 upon approval by the Governor.

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REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Herbkersman, Bingham, Cobb-Hunter, Ott & JR Smith - Staff Contact: Marc Aquino)

SENATE BILL 1131

S. 1131 -- Senators Peeler and Coleman: A BILL TO AMEND SECTION 4-29-67, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO INDUSTRIAL DEVELOPMENT PROJECTS REQUIRING A FEE IN LIEU OF PROPERTY TAXES AGREEMENT, SO AS TO ADD CERTAIN DEFINITIONS, TO FURTHER PROVIDE FOR THE MINIMUM LEVEL OF INVESTMENT FOR A QUALIFIED NUCLEAR PLANT FACILITY, TO PROVIDE FOR THE TIMELINE WHEN THE SPONSOR MUST ENTER INTO AN INITIAL LEASE AGREEMENT WITH THE COUNTY IN REGARD TO A QUALIFIED NUCLEAR PLANT FACILITY, AND THE TIMELINES WHEN THE SPONSOR MUST MEET MINIMUM INVESTMENT REQUIREMENTS IN THE CASE OF A QUALIFIED NUCLEAR PLANT FACILITY AND PLACE THE PROJECT INTO SERVICE; TO AMEND SECTION 12-44-30, AS AMENDED, RELATING TO DEFINITIONS IN REGARD TO THE FEE IN LIEU OF TAX SIMPLIFICATION ACT, SO AS TO REVISE CERTAIN DEFINITIONS AND ADD CERTAIN DEFINITIONS; AND TO AMEND SECTION 12-44-40, AS AMENDED, RELATING TO THE REQUIRED FEE AGREEMENT BETWEEN THE SPONSOR AND THE COUNTY UNDER THE FEE IN LIEU OF TAX SIMPLIFICATION ACT, SO AS TO PROVIDE THE TIME WITHIN WHICH A SPONSOR HAS TO ENTER INTO A FEE AGREEMENT IN REGARD TO A QUALIFIED NUCLEAR PLANT FACILITY.

Summary of Bill:

Amends that minimum level of investment is \$1 Billion dollars to be a qualified nuclear plant facility and adds timelines for entering into lease agreements and minimum investment timelines.

Introduced: 3/2/2009

Received by Ways and Means: 3/2/2009

Estimated Fiscal Impact:

No Impact to General Fund

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Other Notes/Comments:

South Carolina Office of Research and Statistics

Statement of Estimated Local Revenue Impact

Date: February 16, 2010

Bill Number: S.B. 1131

Authors: Peeler

Committee Requesting Impact: Senate Finance

Bill Summary

A bill to amend Section 4-29-67, as amended, Code of Laws of South Carolina, 1976, relating to industrial development projects requiring a fee in lieu of property taxes agreement, so as to add certain definitions, to further provide for the minimum level of investment for a qualified nuclear plant facility, to provide for the timeline when the sponsor must enter into an initial lease agreement with the county in regard to a qualified nuclear plant facility, and the timelines when the sponsor must meet minimum investment requirements in the case of a qualified nuclear plant facility and place the project into service; to amend Section 12-44-30, as amended, relating to definitions in regard to the Fee in Lieu of Tax Simplification Act, so as to revise certain definitions and add certain definitions; and to amend Section 12-44-40, as amended, relating to the required fee agreement between the sponsor and the county under the Fee in Lieu of Tax Simplification Act, so as to provide the time within which a sponsor has to enter into a fee agreement in regard to a qualified nuclear plant facility.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues or negatively impact local revenues.

Explanation

This bill adds a definition for qualified nuclear plant facilities to industrial development projects requiring a fee in lieu of taxes. It also provides that the minimum level of investment for a qualified nuclear plant facility is one billion dollars. This bill also adds a timeline for when a qualified nuclear plant facility must enter into an initial lease agreement with the county and timelines for when the sponsor must meet the minimum investment requirements for a qualified nuclear plant facility and place the project in service. Since fee-in-lieu arrangements are subject to approval by the respective county council, and because these provisions only affect local property taxes, this bill is not expected to impact State revenues or negatively impact local revenues.

/s/ WILLIAM C. GILLESPIE, Ph.D.

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Gibson

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

South Carolina General Assembly
118th Session, 2009-2010

S. 1131

STATUS INFORMATION

General Bill

Sponsors: Senators Peeler and Coleman

Document Path: l:\council\bills\bbm\9525htc10.docx

Companion/Similar bill(s): 4545

Introduced in the Senate on February 2, 2010

Introduced in the House on March 2, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Industrial development projects

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
2/2/2010	Senate	Introduced and read first time <u>SJ-6</u>
2/2/2010	Senate	Referred to Committee on Finance <u>SJ-6</u>
2/17/2010	Senate	Committee report: Favorable Finance <u>SJ-15</u>
2/18/2010	Senate	Read second time <u>SJ-6</u>
2/18/2010		Scrivener's error corrected
2/19/2010		Scrivener's error corrected
3/2/2010	Senate	Read third time and sent to House <u>SJ-27</u>
3/2/2010	House	Introduced and read first time <u>HJ-36</u>
3/2/2010	House	Referred to Committee on Ways and Means <u>HJ-36</u>

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VERSIONS OF THIS BILL

2/2/2010

2/17/2010

2/18/2010

2/19/2010

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

3

4 COMMITTEE REPORT

5 February 17, 2010

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S. 1131

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9 Introduced by Senators Peeler and Coleman

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11 S. Printed 2/17/10--S.

[SEC 2/19/10 4:11 PM]

12 Read the first time February 2, 2010.

13

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15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 1131) to amend Section
17 4-29-67, as amended, Code of Laws of South Carolina, 1976,
18 relating to industrial development projects requiring a fee in lieu of
19 property, etc., respectfully

20

REPORT:

21 That they have duly and carefully considered the same and
22 recommend that the same do pass:

23

24 HUGH K. LEATHERMAN, SR. for Committee.

25

26

27 **STATEMENT OF ESTIMATED FISCAL IMPACT**

28 **REVENUE IMPACT ^{1/}**

29 This bill is not expected to impact state revenues or negatively
30 impact local revenues.

31 **Explanation**

32 This bill adds a definition for qualified nuclear plant facilities to
33 industrial development projects requiring a fee in lieu of taxes. It
34 also provides that the minimum level of investment for a qualified
35 nuclear plant facility is one billion dollars. This bill also adds a
36 timeline for when a qualified nuclear plant facility must enter into
37 an initial lease agreement with the county and timelines for when
38 the sponsor must meet the minimum investment requirements for a
39 qualified nuclear plant facility and place the project in service.
40 Since fee-in-lieu arrangements are subject to approval by the
41 respective county council, and because these provisions only affect

1 local property taxes, this bill is not expected to impact state
2 revenues or negatively impact local revenues.

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Approved By:

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William C. Gillespie

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Board of Economic Advisors

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8 1/ This statement meets the requirement of Section 2-7-71 for a state revenue
9 impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-
10 85(B) for an estimate of the shift in local property tax incidence by the Office of
11 Economic Research.

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A BILL

TO AMEND SECTION 4-29-67, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO INDUSTRIAL DEVELOPMENT PROJECTS REQUIRING A FEE IN LIEU OF PROPERTY TAXES AGREEMENT, SO AS TO ADD CERTAIN DEFINITIONS, TO FURTHER PROVIDE FOR THE MINIMUM LEVEL OF INVESTMENT FOR A QUALIFIED NUCLEAR PLANT FACILITY, TO PROVIDE FOR THE TIMELINE WHEN THE SPONSOR MUST ENTER INTO AN INITIAL LEASE AGREEMENT WITH THE COUNTY IN REGARD TO A QUALIFIED NUCLEAR PLANT FACILITY, AND THE TIMELINES WHEN THE SPONSOR MUST MEET MINIMUM INVESTMENT REQUIREMENTS IN THE CASE OF A QUALIFIED NUCLEAR PLANT FACILITY AND PLACE THE PROJECT INTO SERVICE; TO AMEND SECTION 12-44-30, AS AMENDED, RELATING TO DEFINITIONS IN REGARD TO THE FEE IN LIEU OF TAX SIMPLIFICATION ACT, SO AS TO REVISE CERTAIN DEFINITIONS AND ADD CERTAIN DEFINITIONS; AND TO AMEND SECTION 12-44-40, AS AMENDED, RELATING TO THE REQUIRED FEE AGREEMENT BETWEEN THE SPONSOR AND THE COUNTY UNDER THE FEE IN LIEU OF TAX SIMPLIFICATION ACT, SO AS TO PROVIDE THE TIME WITHIN WHICH A SPONSOR HAS TO ENTER INTO A FEE AGREEMENT IN REGARD TO A QUALIFIED NUCLEAR PLANT FACILITY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. A. Section 4-29-67(A)(1) of the 1976 Code, as last amended by Act 313 of 2008, is further amended to read:

1 “(1) As used in this section:

2 (a) ‘Department’ means the South Carolina Department of
3 Revenue.

4 (b) ‘Lease agreement’ means an agreement between the
5 county and a sponsor leasing the property at the project from the
6 county to a sponsor.

7 (c) ‘Project’ means land, buildings, and other improvements
8 on the land including water, sewage treatment and disposal
9 facilities, air pollution control facilities, and all other machinery
10 apparatus, equipment, office facilities, and furnishings which are
11 considered necessary, suitable, or useful by a sponsor. ‘Project’
12 also may consist of or include aircraft hangered or utilizing an
13 airport in a county so long as the county expressly consents to its
14 inclusion. Aircraft previously subject to taxation in South Carolina
15 qualify pursuant to this provision.

16 (cc) ‘Qualified nuclear plant facility’ means a nuclear electric
17 power generating plant regulated by the Nuclear Regulatory
18 Commission and includes all real and personal property
19 incorporated into or associated with the facility located or to be
20 located within this State with a total minimum level of investment
21 of one billion dollars.

22 (d) ‘Sponsor’ means one or more entities which sign the
23 inducement agreement with the county and also includes a sponsor
24 affiliate unless the context clearly indicates otherwise.

25 (e) ‘Sponsor affiliate’ means an entity that joins with, or is
26 an affiliate of, a sponsor and that participates in the investment in,
27 or financing of, a project.”

28

29 B. Section 4-29-67(B)(4)(a) of the 1976 Code, as last amended
30 by Act 69 of 2003, is further amended to read:

31

32 “(a) A sponsor and a sponsor affiliate may qualify for the fee if
33 each sponsor and sponsor affiliate invests the minimum level of
34 investment at the project. If the project consists of a
35 manufacturing, research and development, corporate office, or
36 distribution facility as those terms are defined in Section
37 12-6-3360(M) and including a qualified nuclear plant facility as
38 defined in Section 12-44-30(16A), each sponsor or sponsor
39 affiliate is not required to invest the minimum investment required
40 by subsection (B)(3) if the total investment at the project exceeds
41 forty-five million dollars.”

42

1 C. Section 4-29-67(C)(1) of the 1976 Code, as last amended by
2 Act 69 of 2003, is further amended to read:

3
4 “(1) Except as provided in subsection (X)(1), from the end of
5 the property tax year in which the sponsor and the county execute
6 an inducement agreement, the sponsor has five years in which to
7 enter into an initial lease agreement with the county.”
8

9 D. Section 4-29-67 of the 1976 Code, as last amended by Act
10 352 of 2008, is amended by adding a new subsection at the end to
11 read:

12
13 “(X)(1) Notwithstanding subsection (C)(1), in the case of a
14 qualified nuclear plant facility, the sponsor has five years from the
15 end of the calendar year in which the Nuclear Regulatory
16 Commission grants the sponsor a combined license to construct
17 and operate a nuclear power plant to enter into an initial lease
18 agreement with the county but in no event more than fifteen years
19 from the latter of the adoption of an inducement resolution or
20 execution of an inducement agreement by the county.

21 (2) Notwithstanding subsection (C)(2)(d), in the case of a
22 qualified nuclear plant facility, the sponsor has fifteen years from
23 the end of the calendar year in which the initial lease agreement is
24 executed to meet the minimum investment and fifteen years from
25 the end of the calendar year in which the first piece of property is
26 placed into service to complete the project.”
27

28 SECTION 2. A. Section 12-44-30(2) of the 1976 Code, as last
29 amended by Act 69 of 2003, is further amended to read:

30
31 “(2) ‘Commencement date’ means the last day of the property
32 tax year during which economic development property is placed in
33 service, except that this date must not be later than the last day of
34 the property tax year which is three years from the year in which
35 the county and the sponsor enter into a fee agreement. The
36 commencement date for an economic development project as
37 defined in Section 12-44-30(16A) is the last day of the first
38 property tax year in which economic development property is
39 placed in service.”
40

41 B. Section 12-44-30(13) of the 1976 Code, as last amended by
42 Act 116 of 2007, is further amended to read:

1 “(13) ‘Investment period’ means the period beginning with the
2 first day that economic development property is purchased or
3 acquired and ending five years after the commencement date;
4 except that for a project with an enhanced investment as described
5 above, the period ends eight years after the commencement date.
6 The minimum investment must be completed within five years of
7 the commencement date. For an enhanced investment, the
8 applicable minimum investment and job requirements under
9 Section 12-44-30(7) must be completed within eight years of the
10 commencement date. Investment period means for a qualified
11 nuclear plant facility the period beginning with the first day that
12 economic development property is purchased or acquired and
13 ending ten years after the commencement date. For those sponsors
14 that, after qualifying for the enhanced investment, have more than
15 five hundred million dollars in capital invested in this State and
16 employ more than one thousand people in this State, the
17 investment period ends ten years after the commencement date. If
18 the sponsor does not anticipate completing the project within these
19 periods, the sponsor may apply to the county before the end of the
20 investment period for an extension of time to complete the project.
21 The extension may not exceed five years. If a project receives an
22 extension of less than five years, the sponsor may apply to the
23 county before the end of the extension period for an additional
24 extension of time to complete the project for an aggregate
25 extension of not more than five years. Unless approved as part of
26 the original fee documentation, the county council of the county
27 may approve an extension by resolution, a copy of which must be
28 delivered to the department within thirty days of the date the
29 resolution was adopted. An extension is not allowed for the time
30 period in which the sponsor must meet the minimum investment
31 requirement.”

32
33 C. Section 12-44-30 of the 1976 Code, as last amended by Act
34 352 of 2008, is further amended by adding a new item after item
35 (16) to read:

36
37 “(16A) ‘Qualified nuclear plant facility’ means a nuclear electric
38 power generating plant regulated by the Nuclear Regulatory
39 Commission and includes all real and personal property
40 incorporated into or associated with the facility located or to be
41 located within this State with a total minimum level of investment
42 of one billion dollars.”

1 D. Section 12-44-30(18) of the 1976 Code, as last amended by
2 Act 69 of 2003, is further amended to read:

3
4 “(18) ‘Sponsor’ means one or more entities which sign the fee
5 agreement with the county and makes the minimum investment,
6 subject to the provisions of Section 12-44-40, each of which makes
7 the minimum investment as provided in Section 12-44-30(13) and
8 also includes a sponsor affiliate unless the context clearly indicates
9 otherwise. If a project consists of a manufacturing, research and
10 development, corporate office, or distribution facility, as those
11 terms are defined in Section 12-6-3360(M) and including a
12 qualified nuclear plant facility as defined in item (16A) of this
13 section, each sponsor or sponsor affiliate is not required to invest
14 the minimum investment if the total investment at the project
15 exceeds ten million dollars.”

16
17 SECTION 3. Section 12-44-40 of the 1976 Code, as last amended
18 by Act 116 of 2007, is further amended by adding a new
19 subsection at the end to read:

20
21 “(K) Notwithstanding another provision of this chapter, in the
22 case of a qualified nuclear plant facility, the sponsor has five years
23 from the end of the calendar year in which the Nuclear Regulatory
24 Commission grants the sponsor a combined license to construct
25 and operate a nuclear power plant to enter into a fee agreement
26 with the county but in no event more than fifteen years from the
27 latter of the adoption of an inducement resolution or execution of
28 an inducement agreement by the county.”

29
30 SECTION 4. This act takes effect upon approval by the Governor.

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REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Herbkersman, Bingham, Cobb-Hunter, Ott & JR Smith - Staff Contact: Marc Aquino)

HOUSE BILL 4245

H. 4245 -- Reps. Merrill, Daning, Long, Wylie and Hutto: A JOINT RESOLUTION PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE XVII OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO THE PROHIBITION ON LOTTERIES AND THE EXCEPTIONS TO THIS PROHIBITION, SO AS TO PROVIDE THAT THE GENERAL ASSEMBLY MAY ALLOW RAFFLES TO BE CONDUCTED BY CHARITABLE OR NONPROFIT ORGANIZATIONS AND BY GENERAL LAW MUST DEFINE THE TYPE OF ORGANIZATION ALLOWED TO CONDUCT RAFFLES, PROVIDE THE STANDARDS FOR THE CONDUCT AND MANAGEMENT OF THE RAFFLES, PROVIDE PENALTIES FOR VIOLATIONS, AND PROVIDE FOR ANY OTHER LAW NECESSARY TO ASSURE THE PROPER FUNCTIONING, HONESTY, INTEGRITY, AND CHARITABLE PURPOSES FOR WHICH THE RAFFLES ARE CONDUCTED.

Summary of Bill:

Proposes an amendment permitting the General Assembly to allow a charitable or non-profit organization to conduct raffles. The amendment also gives authority to define standards, management, and penalties applicable to such raffles.

Introduced: 1/12/2010

Received by Ways and Means: 1/12/2010

Estimated Fiscal Impact:

There is no Fiscal Impact

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

The question shall be presented on the next voting ballot.

FISCAL IMPACT STATEMENT ON BILL NO. **H.4245**

(Doc. No. 19529bh10.docx)

TO:	The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	K. Earle Powell		
DATE:	April 12, 2010	SBD:	2010220

AUTHOR:	Representative Merrill	PRIMARY CODE CITE:	Joint Resolution
SUBJECT:	Raffles		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 4245 is a Joint Resolution proposing to amend the South Carolina Constitution's prohibition on lotteries so as to provide that the General Assembly may allow raffles to be conducted by charitable or nonprofit organizations and by general law must define the type of organization allowed to conduct raffles, provide the standards for the conduct and management of the raffles, provide penalties for violations, and provide for any other law necessary to assure the proper functioning, honesty, integrity, and charitable purposes for which the raffles are conducted.

EXPLANATION OF IMPACT:

State Elections Commission

The Commission reports that while there would be a cost to place the referendum on the ballot, funding received for statewide elections should be sufficient to cover the cost.

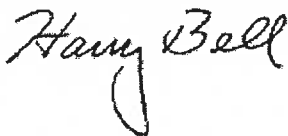
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

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A JOINT RESOLUTION

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11 PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE
12 XVII OF THE CONSTITUTION OF SOUTH CAROLINA, 1895,
13 RELATING TO THE PROHIBITION ON LOTTERIES AND
14 THE EXCEPTIONS TO THIS PROHIBITION, SO AS TO
15 PROVIDE THAT THE GENERAL ASSEMBLY MAY ALLOW
16 RAFFLES TO BE CONDUCTED BY CHARITABLE OR
17 NONPROFIT ORGANIZATIONS AND BY GENERAL LAW
18 MUST DEFINE THE TYPE OF ORGANIZATION ALLOWED
19 TO CONDUCT RAFFLES, PROVIDE THE STANDARDS FOR
20 THE CONDUCT AND MANAGEMENT OF THE RAFFLES,
21 PROVIDE PENALTIES FOR VIOLATIONS, AND PROVIDE
22 FOR ANY OTHER LAW NECESSARY TO ASSURE THE
23 PROPER FUNCTIONING, HONESTY, INTEGRITY, AND
24 CHARITABLE PURPOSES FOR WHICH THE RAFFLES ARE
25 CONDUCTED.

26

27 Be it enacted by the General Assembly of the State of South
28 Carolina:

29

30 SECTION 1. It is proposed that Section 7, Article XVII of the
31 Constitution of this State be amended to read as follows:

32

33 "Section 7. Only the State may conduct lotteries, and these
34 lotteries must be conducted in the manner that the General
35 Assembly provides by law. The revenue derived from the lotteries
36 must first be used to pay all operating expenses and prizes for the
37 lotteries. The remaining lottery revenues must be credited to a
38 separate fund in the state treasury styled the 'Education Lottery
39 Account', and the earnings on this account must be credited to it.
40 Education Lottery Account proceeds may be used only for
41 education purposes as the General Assembly provides by law.

1 The game of bingo, when conducted by charitable, religious, or
2 fraternal organizations exempt from federal income taxation or
3 when conducted at recognized annual state and county fairs, is not
4 considered a lottery prohibited by this section.

5 The General Assembly shall provide by general law for a
6 charitable or nonprofit organization to conduct raffles. The law
7 must define the type of charitable or nonprofit organization
8 authorized to conduct the raffles, provide standards for the
9 management and conduct of the raffles, provide penalties for
10 violations, and provide for any other law necessary to assure the
11 proper functioning, honesty, integrity, and charitable purposes for
12 which the raffles are conducted."

13
14 SECTION 2. The proposed amendment must be submitted to the
15 qualified electors at the next general election for representatives.
16 Ballots must be provided at the various voting precincts with the
17 following words printed or written on the ballot:

18
19 "Must Section 7, Article XVII of the Constitution of this State
20 be amended so as to provide that the General Assembly shall by
21 general law authorize a charitable or nonprofit organization to
22 conduct raffles and must define the types of organizations that
23 shall be authorized to conduct raffles, provide standards for the
24 management and conduct of raffles, provide penalties for
25 violations, and provide for any other general law necessary to
26 assure the proper functioning, honesty, integrity, and charitable
27 purposes for which the raffles are conducted?

28
29 Yes ☐

30
31 No ☐

32
33 Those voting in favor of the question shall deposit a ballot with a
34 check or cross mark in the square after the word 'Yes', and those
35 voting against the question shall deposit a ballot with a check or
36 cross mark in the square after the word 'No'."

37 -----XX-----

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REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Herbkersman, Bingham, Cobb-Hunter, Ott & JR Smith - Staff Contact: Marc Aquino)

HOUSE BILL 4267

H. 4267 -- Reps. Merrill, Daning, Long, Wylie, Kirsh and Hutto: A BILL TO AMEND CHAPTER 19, TITLE 16, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO GAMBLING AND LOTTERIES, SO AS TO AMEND EXISTING LAWS ON UNLAWFUL LOTTERIES AND GAMBLING BY ORGANIZING EXISTING LAWS INTO ARTICLE 1, AND TO ADD DEFINITIONS; TO INCREASE AND MAKE UNIFORM PENALTIES FOR UNLAWFUL LOTTERIES AND GAMBLING; TO PROVIDE THAT SOCIAL GAMBLING IS NOT UNLAWFUL, AND TO CLARIFY THAT GAMES OF SKILL OR CHANCE IN WHICH NO BETTING OCCURS ARE NOT UNLAWFUL; BY ADDING ARTICLE 3, SO AS TO ALLOW CHARITABLE ORGANIZATIONS TO CONDUCT RAFFLES AND SPECIAL LIMITED CHARITY FUNDRAISING EVENTS; TO DEFINE THESE EVENTS; TO DEFINE THE TYPE OF ORGANIZATION ALLOWED TO CONDUCT THESE EVENTS; TO PROVIDE STANDARDS FOR THE MANAGEMENT AND CONDUCT OF THESE EVENTS; TO PROVIDE PENALTIES FOR VIOLATIONS; AND TO PROVIDE FOR THE MANNER IN WHICH THESE PROVISIONS SHALL TAKE EFFECT.

Summary of Bill:

Organizes existing laws on lotteries and gaming into article 1 and adds definitions/makes uniform penalties for unlawful gambling. Provides that social gambling is not unlawful and that games of skill or chance without betting is not unlawful. Also allows charities to conduct raffles and charitable fundraising events.

Introduced: 1/12/2010

Received by Ways and Means: 1/12/2010

Estimated Fiscal Impact:

Pending

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

FISCAL IMPACT STATEMENT ON BILL NO. **H.4267**

(Doc. No. 20778sd10.docx)

TO: The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Bryce Wilson, Beth Quick, and Rodney P. Grizzle
DATE: April 12, 2010 SBD: 2010221

AUTHOR: Representative Merrill PRIMARY CODE CITE: 16-19-10
SUBJECT: Charitable Organizations

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
Minimal

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 4267 amends Chapter 19, Title 16 of the Code of Laws of South Carolina, 1976, relating to gambling and lotteries. The Bill increases and makes uniform penalties for unlawful gambling and lotteries and provides that social gambling is not unlawful. It allows charitable organizations to conduct raffles and special limited charity fundraising events, define these events, defines the type of organizations allowed to conduct these events, and provide penalties for violations.

EXPLANATION OF IMPACT:

SC Lottery Commission

The Commission reports that this Bill will have no fiscal impact on the General Fund of the State or on Federal and/or Other funds.

Secretary of State's Office

The Office reports that it would require 0.80 new FTEs for 0.30 of an Attorney III and 0.50 of an Administrative Assistant at an annual cost of \$52,660 for salary, fringe and other operating expenses. There would also be a non-recurring upfront cost to the General Fund of \$30,000 for modifications to the existing charities computer system. Once the Office begins collecting the \$50 registration fee paid in order to conduct the raffles, the fees collected should cover the recurring and non-recurring costs.

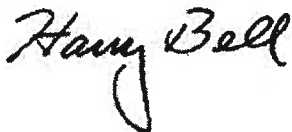
Department of Corrections

The Department indicates that enactment of this Bill will have minimal impact on the General Fund of the State and the agency can absorb this cost at their current level of funding.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

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A BILL

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11 TO AMEND CHAPTER 19, TITLE 16, CODE OF LAWS OF
12 SOUTH CAROLINA, 1976, RELATING TO GAMBLING AND
13 LOTTERIES, SO AS TO AMEND EXISTING LAWS ON
14 UNLAWFUL LOTTERIES AND GAMBLING BY
15 ORGANIZING EXISTING LAWS INTO ARTICLE 1, AND TO
16 ADD DEFINITIONS; TO INCREASE AND MAKE UNIFORM
17 PENALTIES FOR UNLAWFUL LOTTERIES AND
18 GAMBLING; TO PROVIDE THAT SOCIAL GAMBLING IS
19 NOT UNLAWFUL, AND TO CLARIFY THAT GAMES OF
20 SKILL OR CHANCE IN WHICH NO BETTING OCCURS ARE
21 NOT UNLAWFUL; BY ADDING ARTICLE 3, SO AS TO
22 ALLOW CHARITABLE ORGANIZATIONS TO CONDUCT
23 RAFFLES AND SPECIAL LIMITED CHARITY
24 FUNDRAISING EVENTS; TO DEFINE THESE EVENTS; TO
25 DEFINE THE TYPE OF ORGANIZATION ALLOWED TO
26 CONDUCT THESE EVENTS; TO PROVIDE STANDARDS
27 FOR THE MANAGEMENT AND CONDUCT OF THESE
28 EVENTS; TO PROVIDE PENALTIES FOR VIOLATIONS;
29 AND TO PROVIDE FOR THE MANNER IN WHICH THESE
30 PROVISIONS SHALL TAKE EFFECT.

31

32 Be it enacted by the General Assembly of the State of South
33 Carolina:

34

35 SECTION 1. Chapter 19, Title 16 of the 1976 Code is amended
36 to read:

37

38 ~~"Section 16-19-10. Whoever shall publicly or privately erect,~~
39 ~~set up, or expose to be played or drawn at or shall cause or procure~~
40 ~~to be erected, set up, or exposed to be played, drawn, or thrown at~~
41 ~~any lottery under the denomination of sales of houses, lands, plate,~~
42 ~~jewels, goods, wares, merchandise, or other things whatsoever or~~

1 for money or by any undertaking whatsoever, in the nature of a
2 lottery, by way of chances, either by dice, lots, cards, balls,
3 numbers, figures, or tickets or who shall make, write, print or
4 publish, or cause to be made, written, or published any scheme or
5 proposal for any of the purposes aforesaid is guilty of a
6 misdemeanor and, upon conviction, must be fined one thousand
7 dollars and imprisoned for one year. One third of the fine imposed
8 shall be paid to the person, if any, who informed law enforcement
9 officials or other appropriate authorities about the violation which
10 led to the conviction. Each violation constitutes a separate offense.

11
12 Section 16-19-20. Whoever shall be adventurer in or shall
13 pay any moneys or other consideration or shall in any way
14 contribute unto or upon account of any sales or lotteries shall
15 forfeit for every such offense the sum of one hundred dollars to be
16 recovered with costs of suit, by action or indictment in any court of
17 competent jurisdiction in this State, one moiety thereof to and for
18 the use of the State and the other moiety thereof to the person who
19 shall inform and sue for the same.

20
21 Section 16-19-30. It shall be unlawful to offer for sale any
22 lottery tickets or to open or keep any office for the sale of lottery
23 tickets, and if any person shall offend against any of the provisions
24 of this section he shall, on conviction thereof, forfeit and pay to the
25 State a sum not exceeding ten thousand dollars. The county
26 treasurer of the county in which such offense occurs shall
27 prosecute the offender.

28
29 Section 16-19-40. If any person shall play at any tavern, inn,
30 store for the retailing of spirituous liquors or in any house used as a
31 place of gaming, barn, kitchen, stable or other outhouse, street,
32 highway, open wood, race field or open place at (a) any game with
33 cards or dice, (b) any gaming table, commonly called A, B, C, or
34 E, O, or any gaming table known or distinguished by any other
35 letters or by any figures, (c) any roley poley table, (d) rouge et
36 noir, (e) any faro bank (f) any other table or bank of the same or
37 the like kind under any denomination whatsoever or (g) any
38 machine or device licensed pursuant to Section 12-21-2720 and
39 used for gambling purposes, except the games of billiards, bowls,
40 backgammon, chess, draughts, or whist when there is no betting on
41 any such game of billiards, bowls, backgammon, chess, draughts,
42 or whist or shall bet on the sides or hands of such as do game,
43 upon being convicted thereof, before any magistrate, shall be

1 imprisoned for a period of not over thirty days or fined not over
2 one hundred dollars, and every person so keeping such tavern, inn,
3 retail store, public place, or house used as a place for gaming or
4 such other house shall, upon being convicted thereof, upon
5 indictment, be imprisoned for a period not exceeding twelve
6 months and forfeit a sum not exceeding two thousand dollars, for
7 each and every offense.

8
9 Section 16-19-50. Any person who shall set up, keep, or use
10 any (a) gaming table, commonly called A, B, C, or E, O, or any
11 gaming table known or distinguished by any other letters or by any
12 figures, (b) roley poley table, (c) table to play at rouge et noir, (d)
13 faro bank (e) any other gaming table or bank of the like kind or of
14 any other kind for the purpose of gaming, or (f) any machine or
15 device licensed pursuant to Section 12-21-2720 and used for
16 gambling purposes except the games of billiards, bowls, chess,
17 draughts, and backgammon, upon being convicted thereof, upon
18 indictment, shall forfeit a sum not exceeding five hundred dollars
19 and not less than two hundred dollars.

20
21 Section 16-19-70. Whoever shall keep or suffer to be kept
22 any gaming table or permit any game or games to be played in his
23 house on the Sabbath day, on conviction thereof before any court
24 having jurisdiction, shall be fined in the sum of fifty dollars, to be
25 sued for on behalf of, and to be recovered for the use of, the State.

26
27 Section 16-19-80. All and every sum or sums of money
28 staked, betted or pending on the event of any such game or games
29 as aforesaid are hereby declared to be forfeited.

30
31 Section 16-19-90. Any person who shall make any bet or
32 wager of money or wager of any other thing of value or shall have
33 any share or part in any bet or wager of money or wager of any
34 other thing of value upon any election in this State shall be guilty
35 of a misdemeanor and, upon conviction, shall be fined in a sum not
36 exceeding five hundred dollars and be imprisoned not exceeding
37 one month.

38
39 Section 16-19-100. Upon conviction of any person under any
40 of the provisions of Sections 16-19-40, 16-19-50 or 16-19-90, the
41 court before whom such conviction shall take place shall commit
42 such offender to the common jail of the county in which such
43 conviction shall happen for a period not exceeding the time for

1 which such offender has been sentenced, unless such offender shall
2 sooner pay the fine or fines herein imposed, together with the cost
3 of prosecution.

4
5 Section 16-19-110. Any person who might be subject or liable
6 to the fines and penalties imposed herein, either for gaming at or
7 keeping a gaming table or tables, shall, upon being permitted by
8 the circuit solicitor to become evidence in behalf of the State, be
9 freed and exonerated from the same.

10
11 Section 16-19-120. All officers of the law in whose care,
12 possession or keeping may be placed any gambling or gaming
13 machine or device of any kind whatsoever or any gambling or
14 gaming punchboard of any kind or description whatsoever which
15 has been confiscated for violation of any criminal law or laws of
16 this State shall immediately after conviction of the violator of the
17 law destroy the same.

18
19 Section 16-19-130. Any person within this State who:

20 (1) Engages in betting at any race track, pool selling or
21 bookmaking, with or without writing, at any time or place;

22 (2) Keeps or occupies any room, shed, tenement, booth, building,
23 float or vessel, or any part thereof, or occupies any place or stand
24 of any kind upon any public or private grounds within this State
25 with books, papers, apparatus or paraphernalia for the purpose of
26 recording or registering bets or wagers or of selling pools;

27 (3) Records or registers bets or wagers or sells pools or makes
28 books, with or without writing, upon the result of any (a) trial or
29 contest of skill, speed or power of endurance of man or beast, (b)
30 political nomination, appointment or election or (c) lot, chance,
31 casualty, unknown or contingent event whatsoever;

32 (4) Receives, registers, records or forwards or purports or
33 pretends to receive, register, record or forward, in any manner
34 whatsoever, any money, thing or consideration of value bet or
35 wagered or offered for the purpose of being bet or wagered by or
36 for any other person or sells pools upon any such result;

37 (5) Being the owner, lessee or occupant of any room, shed,
38 tenement, tent, booth, building, float or vessel, or part thereof, or
39 of any grounds within this State knowingly permits the same to be
40 used or occupied for any of these purposes or therein keeps,
41 exhibits or employs any device or apparatus for the purpose of
42 recording or registering such bets or wagers or the selling of such
43 pools or becomes the custodian or depository for gain, hire or

1 reward of any money, property or thing of value staked, wagered
2 or pledged or to be wagered or pledged upon any such result; or
3 (6) Aids, assists or abets in any manner in any of the aforesaid
4 acts, which are hereby forbidden;
5 Shall be guilty of a misdemeanor and, upon conviction, shall be
6 punished by a fine not exceeding one thousand dollars or
7 imprisonment not exceeding six months, or both fine and
8 imprisonment, in the discretion of the court.

9
10 Section 16-19-140. The violation of any of the provisions of
11 Section 16-19-130 shall be deemed a common nuisance.

12
13 Section 16-19-150. Notwithstanding the provisions of
14 Sections 16-19-130 and 16-19-140, wherever the offense is covered
15 by Section 16-19-40, the punishment there provided shall be
16 imposed, it being the intention to leave the jurisdiction of such
17 gambling as is there specifically prohibited in the courts now
18 having jurisdiction of the same.

19
20 Section 16-19-160. It shall be unlawful for any person to use
21 or offer for use any punchboards or other kinds of boards with
22 numbers concealed thereon for the purpose of gaming or chance in
23 this State. Any person violating this section shall be guilty of a
24 misdemeanor and upon conviction thereof shall be fined not less
25 than ten dollars nor more than twenty five dollars or imprisoned
26 not less than five days nor more than thirty days, or both, at the
27 discretion of the court; provided, that for the second or third
28 offense hereunder the fine shall not be less than twenty five dollars
29 nor more than one hundred dollars or imprisonment on the public
30 works of the county for a period not exceeding three months.

31 32 Article 1

33 34 Prohibition of Lotteries and Other Gambling

35
36 Section 16-19-100. For purposes of this chapter:

37 (1) 'Contest of chance' means a contest, game, gaming
38 scheme, or gaming device in which the outcome, though skill may
39 be a factor, is predominantly determined by chance.

40 (2) 'Gamble', 'gambling activity', or 'gambling purpose'
41 means a person stakes or risks something of value upon the
42 outcome of a contest of chance or a future contingent event not
43 under the person's control or influence, based upon an agreement

1 or understanding that the player will receive something of value in
2 the event of a certain outcome. Gambling, gambling activity, or
3 gambling purpose does not include:
4 (a) bona fide contests of skill, speed, strength, or
5 endurance in which awards are made only to entrants or the owners
6 of entries;
7 (b) bona fide business transactions that are valid under
8 the law of contracts;
9 (c) games of skill or chance, played between live
10 individuals, where machine or devices are not used or operated,
11 there is no betting of something of value, and there are no awards
12 for cash, prizes, or additional play; or
13 (d) other acts now or hereafter expressly authorized by
14 law.
15 (3) 'Gambling tables' means a gaming table that is used or
16 usable in the playing phases of any gambling activity and includes,
17 but is not limited to, ones commonly called a roulette table, a role
18 poley table, a rouge et noir table, a faro bank, or other table or
19 bank of the same or similar kind labeled under any denomination.
20 (4) 'Gambling device' or 'gambling machine' means any
21 device, machine, paraphernalia, or equipment that is used or usable
22 in the playing phases of any gambling activity, whether such
23 activity consists of gambling between persons or gambling by a
24 person involving the playing of a machine. Notwithstanding the
25 foregoing, lottery tickets authorized pursuant to the Education
26 Lottery Act are not gambling devices.
27 (5) 'Gambling place' means a public or private place, building,
28 establishment, boat, or location, in or on a street, highway, open
29 wood, race field, open place, or water within the jurisdiction of the
30 state, which is used for gambling activities or gambling purposes.
31 This does not apply to gambling vessels authorized pursuant to
32 Chapter 11, Title 3.
33 (6) 'Lottery' means an unlawful gambling scheme in which
34 there exists: (1) the giving of a prize or something of value, (2) by
35 a method of chance, (3) for a consideration paid by the player,
36 contestant, or participant.
37 (7) 'Operate,' 'operated,' or 'operating' means the direction,
38 supervision, management, operation, control, conducting, or
39 guidance of an activity.
40 (8) 'Person' means a natural person, partnership, association,
41 company, corporation, or organization or a manager, agent,
42 servant, officer, or employee thereof.

1 (9) 'Social game' or 'social gambling' means gambling by live
2 persons in a private place, used primarily as a residence, where no
3 house player, house bank, or house odds exist and where there is
4 no house income from the operation of the game.

5 (10) 'Something of value' means any money or property, any
6 token, object or article exchangeable for money or property, or any
7 form of credit or promise directly or indirectly contemplating
8 transfer of money or property or of any interest therein, or
9 involving extension of a service, entertainment or a privilege of
10 playing at a game or scheme without charge.

11
12 Section 16-19-110. (A) A lottery or raffle of any type
13 whatsoever is unlawful unless it is authorized by the following:

14 (1) Chapter 150, Title 59 of the Code Laws of South
15 Carolina;

16 (2) Article 3, Chapter 19, Title 16 of the Code of Laws of
17 South Carolina.

18 (B) The penalties for operating an unlawful lottery or raffle are
19 provided pursuant to this chapter. Each violation is a separate
20 offense.

21
22 Section 16-19-120. A person who sets up, operates, or
23 promotes an unlawful lottery, electronically or otherwise, is guilty
24 of:

25 (1) for a first offense; a misdemeanor, and upon conviction,
26 shall be fined not more than one thousand dollars or imprisoned for
27 not more than thirty days, or both;

28 (2) for a second offense; a misdemeanor, and upon conviction,
29 shall be fined not more than three thousand dollars or imprisoned
30 for not more than one year, or both; and

31 (3) for a third or subsequent offense; a felony, and upon
32 conviction, shall be fined not more than ten thousand dollars or
33 imprisoned for not more than five years, or both.

34
35 Section 16-19-130. A person who prints, writes, advertises,
36 issues, or delivers a ticket, paper, document, or other article or
37 material that represents or appears to represent the existence or a
38 chance or interest in scheme or proposal that is an unlawful lottery
39 is guilty of:

40 (1) for a first offense; a misdemeanor, and upon conviction,
41 shall be fined not more than one thousand dollars or imprisoned for
42 not more than thirty days, or both;

1 (2) for a second offense; a misdemeanor, and upon conviction,
2 shall be fined not more than three thousand dollars or imprisoned
3 for not more than one year, or both; or

4 (3) for a third or subsequent offense; a felony, and upon
5 conviction, shall be fined not more than ten thousand dollars or
6 imprisoned for not more than five years, or both.

7
8 Section 16-19-140. A person who knowingly participates in,
9 pays something of value or other consideration, or contributes in
10 any way to an unlawful lottery is guilty of:

11 (1) for a first offense; a misdemeanor, and upon conviction,
12 shall be fined not more than one thousand dollars or imprisoned for
13 not more than thirty days, or both;

14 (2) for a second offense; a misdemeanor, and upon conviction,
15 shall be fined not more than three thousand dollars or imprisoned
16 for not more than one year, or both; or

17 (3) for a third or subsequent offense; a felony, and upon
18 conviction, shall be fined not more than ten thousand dollars or
19 imprisoned for not more than five years, or both.

20
21 Section 16-19-150. (A) A person who sells, offers to sell,
22 opens, or keeps an office for the sale of tickets to an unlawful
23 lottery is guilty of:

24 (1) for a first offense; a misdemeanor, and upon conviction,
25 shall be fined not more than one thousand dollars or imprisoned for
26 not more than thirty days, or both;

27 (2) for a second offense; a misdemeanor, and upon
28 conviction, shall be fined not more than three thousand dollars or
29 imprisoned for not more than one year, or both; or

30 (3) for a third or subsequent offense; a felony, and upon
31 conviction, shall be fined not more than ten thousand dollars or
32 imprisoned for not more than five years, or both.

33 (B) Ownership or possession in this state of a lottery ticket
34 originating from another state in which a lottery is lawful, if the
35 ticket is not owned or possessed for the purpose of resale, is not a
36 violation of this chapter.

37 (C) Nothing in this section shall be construed as preventing the
38 sale of lottery tickets or shares under the authority of the South
39 Carolina Education Lottery Corporation, or the sale of tickets,
40 shares, chances, or similar records for a charitable event pursuant
41 to the provisions of Article 3, Chapter 19, Title 16.

1 Section 16-19-160. (A) It is unlawful for a person to gamble at
2 a gambling place with any of the following:
3 (1) a game with cards or dice;
4 (2) a gaming table;
5 (3) a gambling machine or device licensed pursuant to
6 Section 12-21-2720 and used for gambling purposes.
7 (B) A person who is guilty of a violation of this section shall:
8 (1) for a first offense; a misdemeanor, and upon conviction,
9 shall be fined not more than five hundred dollars or imprisoned for
10 not more than thirty days, or both;
11 (2) for a second offense; a misdemeanor, and upon
12 conviction, shall be fined not more than one thousand dollars or
13 imprisoned for not more than one year, or both;
14 (3) for a third or subsequent offense; a felony, and upon
15 conviction, shall be fined not more than five thousand dollars or
16 imprisoned for not more than three years, or both.
17 (C) Social gambling is not unlawful under this chapter.
18
19 Section 16-19-170. It is unlawful for a person to place bets, or to
20 bet on the side or on the play of anyone who plays for gambling
21 purposes pursuant to the provisions of this section. A person
22 guilty of violating this subsection shall, upon conviction:
23 (1) for a first offense; a misdemeanor, and upon conviction,
24 shall be fined not more than one thousand dollars or imprisoned for
25 not more than thirty days, or both;
26 (2) for a second offense; a misdemeanor, and upon conviction,
27 shall be fined not more than three thousand dollars or imprisoned
28 for not more than one year, or both;
29 (3) for a third or subsequent offense; a felony, and upon
30 conviction, shall be fined not more than ten thousand dollars or
31 imprisoned for not more than five years, or both.
32
33 Section 16-19-180. It is unlawful for a person to own, operate,
34 or use a gambling place. A person guilty of violating this
35 subsection shall, upon conviction:
36 (1) for a first offense; a misdemeanor, and upon conviction,
37 shall be fined not more than one thousand dollars or imprisoned for
38 not more than thirty days, or both;
39 (2) for a second offense; a misdemeanor, and upon conviction,
40 shall be fined not more than three thousand dollars or imprisoned
41 for not more than one year, or both;

1 (3) for a third or subsequent offense; a felony, and upon
2 conviction, shall be fined not more than ten thousand dollars or
3 imprisoned for not more than five years, or both.

4
5 Section 16-19-190. It is unlawful for a person to set up,
6 promote, operate, or use a gaming table or a gambling device for
7 gambling purposes, and shall, upon conviction, be guilty of:

8 (1) for a first offense; a misdemeanor, and upon conviction,
9 shall be fined not more than one thousand dollars or imprisoned for
10 not more than thirty days, or both;

11 (2) for a second offense; a misdemeanor, and upon conviction,
12 shall be fined not more than three thousand dollars or imprisoned
13 for not more than one year, or both;

14 (3) for a third or subsequent offense; a felony, and upon
15 conviction, shall be fined not more than ten thousand dollars or
16 imprisoned for not more than five years, or both.

17
18 Section 16-19-200. (A) It is unlawful for a person to,
19 electronically or in person, do any of the following:

20 (1) engage in betting at a race track, pool selling, or
21 bookmaking, with or without writing, at any time or place;

22 (2) keep or occupy in a public or private place, room, shed,
23 tenement, booth, building, float, boat, or vessel, or any part
24 thereof, or occupies a place or stand of any kind upon any public
25 or private grounds within this state with books, papers, apparatus
26 or paraphernalia for the purpose of recording or registering bets or
27 wagers or of selling pools;

28 (3) record or register bets or wagers, or sell pools, or make
29 books, with or without writing, upon the result of a:

30 (a) trial or contest of skill, speed or power of endurance of
31 man or animal;

32 (b) political nomination, appointment, or election; or

33 (c) lot, chance, casualty, unknown or contingent event
34 whatsoever;

35 (4) receive, register, record, forward, or appear or pretend to
36 receive, register, record, or forward, in any manner whatsoever,
37 any money, thing or something of value bet or wagered or offered
38 for the purpose of being bet or wagered by or for any other person,
39 or sell pools upon any such result;

40 (5) be the owner, lessee or occupant of a room, shed,
41 tenement, tent, booth, building, float, boat, or vessel, or part
42 thereof, or of any grounds within this state who knowingly permits
43 the same to be used or occupied for any of these purposes in this

1 section or who keeps, exhibits, or employs any device or apparatus
2 for the purpose of recording or registering these bets or wagers or
3 the selling of these pools, or becomes the custodian or depository
4 for gain, hire, or reward of any money, property or something of
5 value staked, wagered or pledged or to be wagered or pledged
6 upon any such result; or
7 (6) aid, assist, or abet in any manner in any of the aforesaid
8 acts.
9 (B) A person who is guilty of a violation of this section shall,
10 upon conviction, be found guilty of:
11 (1) for a first offense, a misdemeanor, and upon conviction,
12 shall be fined not more than one thousand dollars or imprisoned for
13 not more than thirty days, or both;
14 (2) for a second offense, a misdemeanor, and upon
15 conviction, shall be fined not more than three thousand dollars or
16 imprisoned for not more than one year, or both;
17 (3) for a third or subsequent offense, a felony, and upon
18 conviction, shall be fined not more than ten thousand dollars or
19 imprisoned for not more than five years, or both.
20
21 Section 16-19-210. (A) It is unlawful, electronically or in
22 person, for a person knowingly to bet or wager something of value
23 or knowingly to share, promise or be promised to share, in a bet or
24 wager upon an election in this state.
25 (B) A person who is guilty of a violation of this section shall,
26 upon conviction, be found guilty of:
27 (1) for a first offense, a misdemeanor, and upon conviction,
28 shall be fined not more than one thousand dollars or imprisoned for
29 not more than thirty days, or both;
30 (2) for a second offense, a misdemeanor, and upon
31 conviction, shall be fined not more than three thousand dollars or
32 imprisoned for not more than one year, or both;
33 (3) for a third or subsequent offense, a felony, and upon
34 conviction, shall be fined not more than ten thousand dollars or
35 imprisoned for not more than five years, or both.
36
37 Section 16-19-220. (A) It is unlawful for a person to use or
38 offer for use any punchboards or other kinds of boards with
39 numbers concealed thereon for the purpose of gaming or chance in
40 this State.
41 (B) A person who violates this section shall, upon conviction:

1 (1) for a first offense, be fined not less than one hundred
2 dollars nor more than five hundred dollars or imprisoned not less
3 than five days nor more than thirty days, or both;

4 (2) for a second or subsequent offense, be fined not be less
5 than five hundred nor more than one thousand dollars or
6 imprisoned for not less than three months nor more than one year,
7 or both.

8
9 Section 16-19-230. Each and every sum or sums of money or
10 something of value staked, betted, or pending on the event of any
11 action or activity described as unlawful in this chapter are
12 forfeited.

13
14 Section 16-19-240. A law enforcement agency or officer of
15 the law enforcement agency in whose care, possession, or keeping
16 is placed any gambling table, gambling machine, or gambling
17 device of any kind whatsoever, or any gambling or gaming
18 punchboard of any kind or description whatsoever that has been
19 confiscated for violation of any criminal law or laws of this state
20 shall immediately, upon conviction of the violator of the law,
21 destroy the same.

22
23 Section 16-19-250. Any premises where violations pursuant to
24 the provisions of this chapter have occurred are considered
25 common public nuisances and may be proceeded against as such.
26 Any premises finally adjudged a common public nuisance shall
27 have all licenses, permits, or certificates issued by an agency of the
28 state or any subdivision that authorizes the service of food, beer,
29 wine, or alcoholic liquor declared as void upon judgment and shall
30 be canceled immediately by the agency of the state or subdivision,
31 and shall not be reissued for a period of one year after the final
32 judgment of common public nuisance.

33 34 Article 3

35 36 Charitable raffles and gaming

37
38 Section 16-19-300. (A) It is the intention of the General
39 Assembly that only tax-exempt religious, fraternal, and civic
40 organizations, schools, or other charitable groups shall be allowed
41 to operate raffles or special limited charity fundraising events.

42 (B) For purposes of this article:

- 1 (1) 'Adjusted gross receipts' mean gross receipts less all
2 cash prizes and the amount paid for merchandise prizes purchased.
- 3 (2) 'Charitable gaming supplies and equipment' means any
4 material, device, apparatus, or paraphernalia customarily used in
5 the conduct of charitable gaming, including bingo cards and paper,
6 charity game tickets, and other apparatus or paraphernalia used in
7 conducting games of chance at charity fundraising events subject
8 to regulation under this article. The term shall not include any
9 material, device, apparatus, or paraphernalia incidental to the
10 game, such as pencils, daubers, playing cards, or other supplies
11 that may be purchased from normal sources of supply.
- 12 (3) 'Charitable organization' means a nonprofit entity
13 organized for charitable, religious, educational, literary, civic,
14 fraternal, or patriotic purposes.
- 15 (4) 'Gross receipts' mean all monies collected or received
16 from the conduct of charitable gaming.
- 17 (5) 'Net receipts' mean adjusted gross receipts less all
18 expenses, charges, fees, and deductions authorized under this
19 chapter.
- 20 (6) 'Operate', 'operated', or 'operating' means the conduct,
21 direction, supervision, management, operation, control, or
22 guidance or activity.
- 23 (7) 'Person' means a natural person, partnership, association,
24 company, corporation, or organization, or a manager, agent,
25 servant, officer, or employee thereof.
- 26 (8) 'Raffle' means a game of chance in which a participant
27 is required to pay something of value for a ticket for a chance to
28 win a prize, with the winner to be determined by a random drawing
29 or similar process whereby all entries have an equal chance of
30 winning.
- 31 (9) 'Special limited charity game' means games involving
32 live individuals playing roulette, blackjack, poker, baccarat, or
33 other card games, dice games and must not include events with any
34 electronic device or machine, slot machines, electronic video
35 gaming devices, wagering on live sporting events, or simulcast
36 broadcasts of horse races.
- 37 (10) 'Special limited charity fundraising event' means any
38 type of charity fundraising event, such as rubber duck races,
39 hole-in-one golf or basketball shooting, and a 'casino night', 'Las
40 Vegas night', or 'Monte Carlo night', at which the predominate
41 number or types of games offered for play are special limited
42 charity games.
- 43 (11) 'Year' means calendar year.

1
2 Section 16-19-310. (A) A charitable organization is allowed
3 to conduct raffles or special limited charity fundraising events in
4 accordance with the provisions of this article if the charitable
5 organization:
6 (1) is recognized by the South Carolina Department of
7 Revenue and the United States Internal Revenue Service as exempt
8 from federal and state income taxation;
9 (2) has been in continuous existence and operation in the
10 state for a period of not less than one year from the date of the first
11 raffle or special limited charity fundraising event; and
12 (3) is registered with the Secretary of State pursuant to the
13 requirements of Chapter 56, Title 33. In the event that the
14 charitable organization is unable to provide the Secretary of State
15 with documents that are required by such chapter, the charitable
16 organization must provide sufficient evidence concerning the
17 structure and operation of the organization to enable the agency to
18 determine whether the applicant meets the charitable, religious, or
19 fraternal criteria. Sufficient evidence includes submission of a
20 document attesting to the stated purpose of the organization, names
21 of board members or organizers of the organization, and the
22 formation date of the organization.
23 (B) The requirement to register for the purpose of conducting
24 raffles and special limited charity fundraising events with the
25 Secretary of State shall apply to any and all charitable
26 organizations that intend to conduct a raffle or special limited
27 charity fundraising event in this State, including those
28 organizations that are exempt or not required to follow the
29 registration requirements of Chapter 56, Title 33, unless the raffle
30 is held by a charitable organization where a prize is donated by a
31 member of the charitable organization, the total value of the prize
32 is less than five hundred dollars, and each raffle ticket is sold for
33 not more than five dollars.
34 (C) Registrations for raffles and special limited charity
35 fundraising events shall expire twelve months from the date of
36 issuance. Organizations that meet the requirements of Section
37 16-19-300(3) shall submit an annual raffle and special limited
38 charity fundraising event form along with a fee of fifty dollars to
39 the Office of the Secretary of State. This registration form and fee
40 shall cover all allowable raffles and special limited charity
41 fundraising events for the year. Proceeds from the fees shall be
42 retained by the Secretary of State for enforcement of these
43 provisions.

1 (D) Charitable organizations registering with the Secretary of
2 State shall be subject to investigation and other actions by the
3 Secretary of State, and subject to all penalties contained in Chapter
4 56, Title 33. The Office of the Secretary of State shall refer
5 violations to law enforcement for criminal prosecution pursuant to
6 the provisions of this article.
7 (E) Charitable organizations may advertise raffles or special
8 limited charity fundraising events.
9 (F) Charitable organizations are limited to four raffles per year,
10 and two special limited charity fundraising events per year. Each
11 affiliate or subsidiary of a charitable organization that otherwise
12 qualifies pursuant to the requirements of this article and shares a
13 Federal Employer's identification Number (EIN) with the parent
14 charitable organization shall be entitled to hold four raffles per
15 year and two special limited charity fundraising events per year.
16 This restriction does not apply to raffles held by charitable
17 organizations where a prize is donated by a member of the
18 charitable organization, and the total value of the prize is less than
19 five hundred dollars, and each raffle ticket is sold for not more
20 than five dollars.
21
22 Section 16-19-320. (A) No less than ninety percent of the net
23 receipts of a raffle or special limited charity fundraising event
24 authorized pursuant to this article must be used for the charitable,
25 religious, or philanthropic purposes of the charitable organization.
26 No gross receipts, expenses, or net receipts of a raffle or special
27 limited charity fundraising event shall be used to influence the
28 outcome of a political office or to influence the outcome of an
29 issue pending before a political body.
30 (B) No charitable organization shall enter into a contract with
31 any person to have that person operate raffles or special limited
32 charity fundraising events on behalf of the charitable organization.
33 (C) A charitable organization shall not lend its name nor allow
34 its identity to be used by any person in the operating or advertising
35 of a raffle or special limited charity fundraising event in which the
36 charitable organization is not directly and solely operating the
37 raffle or special limited charity fundraising event. Nothing in this
38 section, however, shall prohibit two or more charitable
39 organizations from participating together to run a raffle or special
40 limited charity fundraising event.
41 (D) A raffle or special limited charity fundraising event shall be
42 conducted only by an authorized charitable organization through
43 its bona fide officers and members who volunteer their time and

1 receive no compensation for their services. Food and beverages
2 served to and consumed by volunteers during a raffle or special
3 limited charity fundraising event is not compensation.

4 (E) A charitable organization shall not conduct raffles or
5 special limited charity fundraising events through any agent or
6 third party, and shall not pay consulting fees or something of value
7 to any person for any services performed in relation to the
8 operation or conduct of a raffle or special limited charity
9 fundraising event. Rental of raffle or special limited charity game
10 equipment is not considered conducting a raffle or special limited
11 charity fundraising event.

12 (F) The provisions of this article are not intended and shall not
13 be construed to allow the play of raffles or special limited charity
14 games through any electronic device or machine.

15
16 Section 16-19-330. Expenses that are reasonable and
17 necessary to raffles or special limited charity fundraising events as
18 authorized by this article are allowable and include expenses
19 incurred for:

20 (A) advertising, including the cost of printing raffle and special
21 limited charity fundraising event gift certificates;

22 (B) food and beverage costs;

23 (C) rental of equipment and hiring a person to operate the
24 equipment during the limited time period allowed for raffles or
25 special limited charity fundraising games;

26 (D) repairs to premises and equipment;

27 (E) door prizes or prizes;

28 (F) stated rental or insurance expenses; and

29 (G) bookkeeping or accounting services.

30
31 Section 16-19-340. A charitable organization may conduct or
32 participate in a special limited charity fundraising event that does
33 not exceed two events a year per organization and at which each
34 event does not continue for more than six consecutive hours.
35 Special limited charity fundraising events may include special
36 limited charity games, if the following requirements are met:

37 (A) the charitable organization must meet all of the
38 requirements of Section 16-19-310;

39 (B) no merchandise prize shall be purchased or offered or cash
40 prize offered that exceeds the gross receipts collected by the
41 applicant exclusive of any potential prize amounts secured by a
42 policy of insurance, and no individual cash prize not so insured
43 shall exceed twenty-five thousand dollars; and

1 (C) no less than ninety per cent of the net receipts must be
2 applied to the charitable, religious, fraternal, or nonprofit purposes
3 of the applicant, and all of the restrictions in this chapter shall
4 apply to any expenses, charges, fees or deductions to
5 manufacturers, distributors, or persons conducting the special
6 limited charity fundraising event.

7
8 Section 16-19-350. (A) Each charitable organization
9 conducting a raffle or special limited charity fundraising event
10 shall keep records of its gross receipts, expenses, adjusted gross
11 receipts, and net receipts for each single raffle or special limited
12 charity fundraising event at which winning chances are
13 determined. All deductions from gross receipts for each single
14 raffle or special limited charity fundraising event shall be
15 documented with receipts or other records indicating the amount, a
16 description of the purchased item or service or other reason for the
17 deduction, and the recipient. The distribution of net receipts shall
18 be itemized as to payee, purpose, amount and date of payment.

19 (B) Each charitable organization conducting raffles or special
20 limited charity fundraising events shall report promptly after the
21 conclusion of each raffle or special limited charity fundraising
22 event to its membership, its gross receipts, expenses and net
23 proceeds from raffles and special limited charity fundraising
24 events and the distribution of net proceeds itemized as required in
25 this section.

26 (C) Records required by this section shall be preserved for three
27 years, and organizations shall make available their records relating
28 to operation of raffles and special limited charity fundraising
29 events for public inspection at reasonable times and places.

30
31 Section 16-19-360. No person under the age of eighteen years
32 may promote, conduct, operate, or work at a special limited charity
33 fundraising event, and no person under the age of sixteen years
34 may sell or promote the sale of any special limited charity
35 fundraising event tickets, nor shall any sponsoring organization
36 permit any person under the age of eighteen to promote, conduct,
37 or operate any special limited charity fundraising event or any
38 person under the age of sixteen to sell or promote the sale of such
39 tickets. This restriction does not apply to the promotion, sale,
40 conduct, or operation of a raffle.

41
42 Section 16-19-370. (A) Each of the officers or directors of a
43 charitable organization who violate the provisions of this article

1 shall, upon conviction, be fined not less than two thousand dollars
2 and not more than five thousand dollars, or imprisoned for not
3 more than thirty days, or both. Further, a charitable organization
4 convicted of a violation pursuant to this section shall be prohibited
5 from applying for a special limited charity fundraising event until
6 not less than twenty-four months after the date of the conviction.

7 (B) Other persons who violate the provisions of this article
8 shall be guilty of, upon conviction:

9 (1) for a first offense; a misdemeanor and shall be fined not
10 more than one thousand dollars or imprisoned not more than thirty
11 days in jail, or both;

12 (2) for a second offense; a misdemeanor and shall be fined
13 not more than three thousand dollars or imprisoned not more than
14 one year in jail, or both;

15 (3) for a third or subsequent offense; a felony and shall be
16 fined not more than then thousand dollars or imprisoned for not
17 more than five years in jail, or both."

18
19 SECTION 2. The repeal or amendment by the provisions of this
20 act or any law, whether temporary or permanent or civil or
21 criminal, does not affect pending actions, rights, duties, or
22 liabilities founded thereon, or alter, discharge, release, or
23 extinguish any penalty, forfeiture, or liability incurred under the
24 repealed or amended law, unless the repealed or amended
25 provision shall so expressly provide. After the effective date of
26 this act, all laws repealed or amended by this act must be taken and
27 treated as remaining in full force and effect for the purpose of
28 sustaining any pending or vested right, civil action, special
29 proceeding, criminal prosecution, or appeal existing as of the
30 effective date of this act, and for the enforcement of rights, duties,
31 penalties, forfeitures, and liabilities as they stood under the
32 repealed or amended laws.

33
34 SECTION 3. If any section, subsection, item, subitem,
35 paragraph, subparagraph, sentence, clause, phrase, or word of this
36 act is for any reason held to be unconstitutional or invalid, such
37 holding shall not affect the constitutionality or validity of the
38 remaining portions of this act, the General Assembly hereby
39 declaring that it would have passed this act, and each and every
40 section, subsection, item, subitem, paragraph, subparagraph,
41 sentence, clause, phrase, and word thereof, irrespective of the fact
42 that any one or more other sections, subsections, items, subitems,
43 paragraphs, subparagraphs, sentences, clauses, phrases, or words

1 hereof may be declared to be unconstitutional, invalid, or
2 otherwise ineffective.
3
4 SECTION 4. This act becomes effective upon approval by the
5 Governor and ninety days after ratification of an amendment to
6 Section 7, Article XVII of the Constitution of this State allowing
7 its terms as proposed to the qualified electors of this State at the
8 2010 General Election.
9 ----XX----
10

REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Herbkersman, Bingham, Cobb-Hunter, Ott & JR Smith - Staff Contact: Marc Aquino)

HOUSE BILL 4270

H. 4270 -- Reps. Merrill, Daning, Wylie and Kirsh: A JOINT RESOLUTION PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE XVII OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO THE PROHIBITION ON LOTTERIES AND THE EXCEPTIONS TO THIS PROHIBITION, BY ADDING A NEW PARAGRAPH SO AS TO PROVIDE THAT THE GENERAL ASSEMBLY SHALL ENACT A GENERAL LAW AUTHORIZING A CHARITABLE ORGANIZATION TO CONDUCT A RAFFLE, AND WHICH DEFINES THE TYPE OF ORGANIZATION ALLOWED TO CONDUCT A RAFFLE, PROVIDES THE STANDARDS FOR THE CONDUCT AND MANAGEMENT OF THE RAFFLE, PROVIDES PENALTIES FOR VIOLATIONS, AND ENSURES THE PROPER FUNCTIONING, HONESTY, INTEGRITY, AND CHARITABLE PURPOSES FOR WHICH THE RAFFLE IS CONDUCTED, AND TO PROVIDE THAT A RAFFLE CONDUCTED IN CONFORMITY WITH LAWS ENACTED PURSUANT TO THIS PARAGRAPH IS NOT CONSIDERED A LOTTERY PROHIBITED BY THE CONSTITUTION.

Summary of Bill:

Adds an exception to the State's prohibition of lotteries to allow for Charitable organizations to conduct raffles.

Introduced: 1/12/2010

Received by Ways and Means: 1/12/2010

Estimated Fiscal Impact:

No official impact received yet, but mirrors language that would be inserted by constitutional amendment in H.4245 which came back with no Fiscal Impact.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

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9 **A JOINT RESOLUTION**

10
11 PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE
12 XVII OF THE CONSTITUTION OF SOUTH CAROLINA, 1895,
13 RELATING TO THE PROHIBITION ON LOTTERIES AND
14 THE EXCEPTIONS TO THIS PROHIBITION, BY ADDING A
15 NEW PARAGRAPH SO AS TO PROVIDE THAT THE
16 GENERAL ASSEMBLY SHALL ENACT A GENERAL LAW
17 AUTHORIZING A CHARITABLE ORGANIZATION TO
18 CONDUCT A RAFFLE, AND WHICH DEFINES THE TYPE OF
19 ORGANIZATION ALLOWED TO CONDUCT A RAFFLE,
20 PROVIDES THE STANDARDS FOR THE CONDUCT AND
21 MANAGEMENT OF THE RAFFLE, PROVIDES PENALTIES
22 FOR VIOLATIONS, AND ENSURES THE PROPER
23 FUNCTIONING, HONESTY, INTEGRITY, AND
24 CHARITABLE PURPOSES FOR WHICH THE RAFFLE IS
25 CONDUCTED, AND TO PROVIDE THAT A RAFFLE
26 CONDUCTED IN CONFORMITY WITH LAWS ENACTED
27 PURSUANT TO THIS PARAGRAPH IS NOT CONSIDERED A
28 LOTTERY PROHIBITED BY THE CONSTITUTION.

29
30 Be it enacted by the General Assembly of the State of South
31 Carolina:

32
33 SECTION 1. It is proposed that Section 7, Article XVII of the
34 Constitution of this State be amended by adding a new paragraph
35 at the end to read:

36
37 “The General Assembly shall enact a general law authorizing a
38 charitable organization to conduct a raffle. The law must define
39 the type of charitable organization authorized to conduct the raffle,
40 provide standards for the management and conduct of the raffle,
41 provide penalties for violations, and ensure the proper functioning,
42 honesty, integrity, and charitable purposes for which the raffle is

1 conducted. A raffle conducted in conformity with the laws enacted
2 pursuant to this paragraph is not considered a lottery prohibited by
3 this section."

4
5 SECTION 2. The proposed amendment must be submitted to the
6 qualified electors at the next general election for representatives.
7 Ballots must be provided at the various voting precincts with the
8 following words printed or written on the ballot:
9

10 "Must Section 7, Article XVII of the Constitution of this State
11 be amended so as to provide that the General Assembly shall enact
12 a general law authorizing a charitable organization to conduct a
13 raffle and which defines the type of organization authorized to
14 conduct a raffle, provides standards for the management and
15 conduct of a raffle, provides penalties for violations, and ensures
16 the proper functioning, honesty, integrity, and charitable purpose
17 for which the raffle is conducted, and to provide that a raffle
18 conducted in conformity with the laws enacted pursuant to this
19 paragraph is not considered a lottery prohibited by the
20 Constitution?

21
22 Yes ☐

23
24 No ☐

25
26 Those voting in favor of the question shall deposit a ballot with a
27 check or cross mark in the square after the word 'Yes', and those
28 voting against the question shall deposit a ballot with a check or
29 cross mark in the square after the word 'No'."

30 ----XX----

31

REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Herbkersman, Bingham, Cobb-Hunter, Ott & JR Smith - Staff Contact: Marc Aquino)

HOUSE BILL 4506

H. 4506 -- Reps. Lucas, Harrison, J.E. Smith, Harrell, Battle and Rutherford: A JOINT RESOLUTION TO MAKE CERTAIN FINDINGS BY THE GENERAL ASSEMBLY IN REGARD TO THE SETTLEMENT OF LITIGATION INVOLVING A SITE ACQUIRED BY THE STATE OF SOUTH CAROLINA IN RICHLAND COUNTY FOR THE PROPOSED STATE FARMERS' MARKET, AND TO CONFIRM AND VALIDATE THE USE OF SPECIFIC TRACTS OF LAND RECEIVED BY THE SOUTH CAROLINA RESEARCH AUTHORITY, AND RICHLAND COUNTY AS PART OF THE SETTLEMENT, AND THE USE OF CERTAIN REVENUES TO MEET OBLIGATIONS CONTINUING UNDER THE SETTLEMENT.

<i>Summary of Bill:</i>	Transfers 109 acres of land to the South Carolina Research Authority and 37 acres to Richland County.
<i>Introduced:</i> 2/2/2010	<i>Received by Ways and Means:</i> 2/2/2010
<i>Estimated Fiscal Impact:</i>	Pending
<i>Subcommittee Recommendation:</i>	Favorable
<i>Full Committee Recommendation:</i>	Pending
<i>Other Notes/Comments:</i>	Land was formerly acquired for State Farmer's Market

FISCAL IMPACT STATEMENT ON BILL NO. **H.4506**
(Doc. No. 22480sd10.docx)

TO:	The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	R.J. Stein, K. Earle Powell		
DATE:	April 14, 2010	SBD:	2010222

AUTHOR:	Representative Lucan	PRIMARY CODE CITE:	Joint Resolution
SUBJECT:	Columbia Farmers Market Litigation Settlement		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 4506 is a Joint Resolution acknowledging the settlement of the Columbia State Farmers Market land dispute with Richland County. The Bill indicates that the Settlement transferred 109 acres of the disputed "Tract" to the SC Research Authority and 37 acres to Richland County. The Bill declares that local hospitality tax revenue may be used to pay for the original acquisition and continuing repayment costs associated with the Tract.

EXPLANATION OF IMPACT:

The Department of Agriculture indicates that this Bill would have no on the General Fund of the State or to Federal and/or Other Funds as the Department is longer involved with this property.

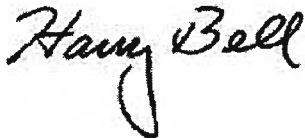
LOCAL GOVERNMENT IMPACT:

Richland County has not indicated there would be any fiscal impact associated with this Bill.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

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A JOINT RESOLUTION

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11 TO MAKE CERTAIN FINDINGS BY THE GENERAL
12 ASSEMBLY IN REGARD TO THE SETTLEMENT OF
13 LITIGATION INVOLVING A SITE ACQUIRED BY THE
14 STATE OF SOUTH CAROLINA IN RICHLAND COUNTY
15 FOR THE PROPOSED STATE FARMERS' MARKET, AND TO
16 CONFIRM AND VALIDATE THE USE OF SPECIFIC TRACTS
17 OF LAND RECEIVED BY THE SOUTH CAROLINA
18 RESEARCH AUTHORITY, AND RICHLAND COUNTY AS
19 PART OF THE SETTLEMENT, AND THE USE OF CERTAIN
20 REVENUES TO MEET OBLIGATIONS CONTINUING
21 UNDER THE SETTLEMENT.

22

23 Be it enacted by the General Assembly of the State of South
24 Carolina:

25

26 SECTION 1. The General Assembly finds that:

27

28 (1) The Commissioner of Agriculture (Commissioner) settled
29 the case captioned as Richland County v. State of South Carolina
30 and South Carolina Department of Agriculture, 2008-CP-40-5723,
31 involving a dispute concerning ownership of approximately one
32 hundred forty-six acres of land (Tract) and formerly acquired for
33 the proposed State Farmers' Market.

34 (2) In connection with the settlement, the Commissioner
35 entered into and executed a mutual consent order and other
36 appropriate documents dismissing with prejudice the referenced
37 case and any related claims that the State of South Carolina may
38 have in connection therewith.

39 (3) In connection with the settlement, the Commissioner
40 transferred on behalf of the State approximately one hundred nine
41 acres of the Tract to the South Carolina Research Authority

1 (SCRA), and approximately thirty-seven acres of the Tract to
2 Richland County.

3 (4) In connection with the settlement, the Commissioner and
4 Richland County agreed that clarification should be sought with
5 respect to the use of the Tract by the SCRA and the county.

6
7 SECTION 2. The approximately one hundred nine acres of the
8 Tract transferred to the South Carolina Research Authority shall be
9 used in accordance with the powers granted to the Authority
10 pursuant to its enabling act, as contained in Chapter 17, Title 13 of
11 the 1976 Code, including, but not limited to, Section 13-17-70(5),
12 and the approximately thirty-seven acres of the Tract transferred to
13 Richland County shall be used in accordance with the powers
14 granted to Richland County pursuant to Section 4-9-30 of the 1976
15 Code, including, but not limited to, Section 4-9-30(2).
16 Notwithstanding any other provision of law, the original
17 acquisition of and continuing repayment of any outstanding
18 obligations related to the Tract constitute an authorized use of
19 those revenues specified in Article 7, Chapter 1, Title 6 of the 1976
20 Code.

21
22 SECTION 3. This joint resolution takes effect upon approval by
23 the Governor.

24 ----XX----

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REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(Merrill, Clyburn, JH Neal, Rice, & A Young - Staff Contact: Ben Twilley)

HOUSE BILL 4269

H. 4269 -- Reps. Herbkersman and Wylie: A BILL TO AMEND ACT 200 OF 2002, RELATING TO THE SOUTH CAROLINA CONSERVATION BANK ACT, SO AS TO DELETE A PROVISION WHICH PROVIDES THAT NO FURTHER DEED RECORDING FEES OR OTHER FUNDS MAY BE CREDITED TO THE CONSERVATION BANK TRUST FUND IN ANY YEAR WHEN A MAJORITY OF STATE AGENCY APPROPRIATIONS ARE REDUCED IN THE ANNUAL GENERAL APPROPRIATIONS ACT OR WHEN THE STATE BUDGET AND CONTROL BOARD IMPOSES ACROSS THE BOARD CUTS AND INSTEAD PROVIDE FOR A REDUCTION ON A PERCENTAGE BASIS IN THE AMOUNT OF DEED RECORDING FEES WHICH MAY BE TRANSFERRED TO THE TRUST FUND, AND TO EXTEND THE EXPIRATION DATE OF THE PROVISIONS OF LAW RELATING TO THE CONSERVATION BANK ACT AND OTHER RELATED DATES PERTAINING TO THE CLOSURE OF THE CONSERVATION BANK ACT AND CONSERVATION BANK FUND.

Summary of Bill:

This bill revises the South Carolina Conservation Bank Act, so as to eliminate a provision which provides that no further deed recording fees or other funds may be credited to the Conservation Bank Trust Fund in any year when a majority of state agency appropriations are reduced in the annual general appropriations act or when the State Budget and Control Board imposes across the board cuts. The legislation instead provides for a reduction on a percentage basis in the amount of deed recording fees which may be transferred to the trust fund. The legislation extends the expiration date of the Conservation Bank Act provisions and other related dates pertaining to the closure of the Conservation Bank Act and Conservation Bank Fund.

Amended in subcommittee: The subcommittee amended the bill to make the effective date not until the 2010-11 fiscal year.

Introduced: 1/12/2010

Received by Ways and Means: 1/12/2010

Estimated Fiscal Impact:

~~This bill would decrease General Fund revenue by \$8,633,495 in FY 2009-10 if enacted before the close of fiscal year.~~ The bill would not affect FY 2010-11,

because the BEA has already accounted for the transfer of the revenue to the Conservation Bank Trust Fund.

Subcommittee Recommendation: Favorable with Amendment

Full Committee Recommendation: Pending

Other Notes/Comments:

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

DRAFFIN/SHACKELFORD
APRIL 8, 2010

CLERK OF THE HOUSE

THE PROPERTY TAX SUBCOMMITTEE PROPOSES THE
FOLLOWING AMENDMENT NO. TO H. 4269
(COUNCIL\GGS\22588SD10):

REFERENCE IS TO PRINTER'S DATE 12/15/09-H.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING SUBSECTION (B) OF SECTION 5 OF
ACT 200 OF 2002 AS CONTAINED IN SECTION 1
WHICH BEGINS ON LINE 13 OF PAGE 2 AND
INSERTING:**

**/ (B) THE PROVISIONS OF SUBSECTION (A) OF
THIS SECTION, AS AMENDED BY THIS ACT, APPLY
ON A FISCAL YEAR BASIS BEGINNING WITH FISCAL
YEAR 2010-2011./**

RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: March 10, 2010 (Revised March 9, 2010)

Bill Number: H.B. 4269

Authors: Herbkersman and Wylie

Committee Requesting Impact: House Ways & Means Committee

Bill Summary

A bill to amend Act 200 of 2002, relating to the South Carolina Conservation Bank Act, so as to delete a provision which provides that no further deed recording fees or other funds may be credited to the Conservation Bank Trust Fund in any year when a majority of state agency appropriations are reduced in the annual general Appropriations Act or when the state Budget and Control Board imposes across-the-board cuts and instead provide for a reduction on a percentage basis in the amount of deed recording fees which may be transferred to the trust fund, and to extend the expiration date of the provisions of law relating to the Conservation Bank Act and other related dates pertaining to the closure of the Conservation Bank Act and Conservation Bank Fund.

REVENUE IMPACT ^{1/}

This bill would decrease General Fund revenue by \$8,633,495 in FY2009-10 if enacted before the close of the fiscal year. This bill would not affect FY2010-11, because the BEA has already accounted for the transfer of revenue to the Conservation Bank Trust Fund.

Explanation

This bill would amend Section 5 of Act 200 of 2002 (Conservation Bank Act) to amend Section 48-59-75 to change the restrictions on the transfer of deed recording fees from the General Fund to the Conservation Bank Trust Fund. Currently, Section 48-59-75 states that in a fiscal year when the General Assembly in the annual general appropriations act provides less appropriations than what was provided for the previous year to at least one-half of the state agencies or departments contained therein the act or in any year when the Budget and Control Board orders across-the-board cuts to state agencies and departments in the manner provided by law, no further transfer of deed recording fees or other appropriated funds, state or local, may be credited to the trust fund for the fiscal year or balance of the fiscal year. This bill removes the "all-or-none" restriction and would allow the transfer of deed recording fees to the Conservation Bank Trust Fund after being reduced by the average percentage decrease in total general fund appropriations to those agencies receiving such a decrease in that general appropriations act or by the percentage amount of the across-the-board decrease or decreases imposed by the State Budget and Control Board on all agencies. The BEA estimate of the transfer of General Fund revenue to the Conservation Bank is \$9,491,529 in FY2009-10. During FY2009-10, the State Budget and Control Board imposed across-the-board cuts of 4.04% on September 3, 2009 and 5.0% on December 15, 2009 for a total of 9.04% of across-the-board reductions to state agency budgets affecting more than one-half of all state agencies or departments. Because of these cuts and the amended language contained in Section 48-59-75, the transfer of deed recording fee revenue to the Conservation Bank Trust Fund would be reduced by 9.04%, or \$858,034, in FY2009-10. This amount would be retained in the state General Fund while \$8,633,495 would be transferred to the Conservation Bank Trust Fund. This act first applies with fiscal year 2010 and takes effect upon approval by the Governor. This bill also extends the date of repeal of the Conservation Bank Trust Fund for ten years from July 1, 2013 to July 1, 2023.

/s/ WILLIAM C. GILLESPIE, PH.D.

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Martin

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

South Carolina General Assembly
118th Session, 2009-2010

H. 4269

STATUS INFORMATION

General Bill

Sponsors: Reps. Herbkersman, Wylie, D.C. Smith, Umphlett, Ballentine, J.R. Smith, Limehouse, Lowe, Bingham, Merrill, Toole, R.L. Brown, T.R. Young, Stewart, McLeod, G.A. Brown, Hiott, Rice, J.E. Smith, Duncan, Agnew, Hutto, Clemmons, Chalk, Clyburn, Hosey, Crawford, Battle, Pinson, Ott, Lucas, Hayes, Stavrinakis, Knight, D.C. Moss, Brady, Horne, Sellers, H.B. Brown and Sottile

Document Path: I:\council\bill\nbd\11591sd10.docx

Companion/Similar bill(s): 903

Introduced in the House on January 12, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Conservation Bank Act

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
12/15/2009	House	Prefiled
12/15/2009	House	Referred to Committee on Ways and Means
1/12/2010	House	Introduced and read first time <u>HJ-52</u>
1/12/2010	House	Referred to Committee on Ways and Means <u>HJ-53</u>
1/13/2010	House	Member(s) request name added as sponsor: D.C.Smith, Umphlett, Ballentine, J.R.Smith
1/14/2010	House	Member(s) request name added as sponsor: Limehouse, Lowe, G.R.Smith
1/19/2010	House	Member(s) request name added as sponsor: Bingham, Merrill, Toole, R.L.Brown, T.R.Young
1/20/2010	House	Member(s) request name added as sponsor: Stewart
1/21/2010	House	Member(s) request name added as sponsor: McLeod, G.A.Brown, Hiott, Rice
1/26/2010	House	Member(s) request name added as sponsor: J.E.Smith, Duncan
1/27/2010	House	Member(s) request name added as sponsor: Agnew, Hutto, Clemmons
1/28/2010	House	Member(s) request name added as sponsor: Chalk, Clyburn, Hosey, Crawford, Battle, Pinson, Ott, Lucas, Hayes, Stavrinakis, Knight, D.C.Moss
2/2/2010	House	Member(s) request name added as sponsor: Brady
2/25/2010	House	Member(s) request name added as sponsor: Horne
3/9/2010	House	Member(s) request name added as sponsor: Sellers
3/17/2010	House	Member(s) request name added as sponsor: H.B.Brown
3/23/2010	House	Member(s) request name added as sponsor: Sottile
3/25/2010	House	Member(s) request name removed as sponsor: G.R.Smith

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VERSIONS OF THIS BILL

12/15/2009

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A BILL

11 TO AMEND ACT 200 OF 2002, RELATING TO THE SOUTH
12 CAROLINA CONSERVATION BANK ACT, SO AS TO
13 DELETE A PROVISION WHICH PROVIDES THAT NO
14 FURTHER DEED RECORDING FEES OR OTHER FUNDS
15 MAY BE CREDITED TO THE CONSERVATION BANK
16 TRUST FUND IN ANY YEAR WHEN A MAJORITY OF
17 STATE AGENCY APPROPRIATIONS ARE REDUCED IN THE
18 ANNUAL GENERAL APPROPRIATIONS ACT OR WHEN
19 THE STATE BUDGET AND CONTROL BOARD IMPOSES
20 ACROSS THE BOARD CUTS AND INSTEAD PROVIDE FOR
21 A REDUCTION ON A PERCENTAGE BASIS IN THE
22 AMOUNT OF DEED RECORDING FEES WHICH MAY BE
23 TRANSFERRED TO THE TRUST FUND, AND TO EXTEND
24 THE EXPIRATION DATE OF THE PROVISIONS OF LAW
25 RELATING TO THE CONSERVATION BANK ACT AND
26 OTHER RELATED DATES PERTAINING TO THE CLOSURE
27 OF THE CONSERVATION BANK ACT AND
28 CONSERVATION BANK FUND.

29
30 Be it enacted by the General Assembly of the State of South
31 Carolina:

32
33 SECTION 1. SECTION 5 of Act 200 of 2002 is amended to read:

34
35 “SECTION 5. (A) In a fiscal year when the General Assembly in
36 the annual general appropriations act provides less appropriations
37 than what was provided for the previous year to at least one-half of
38 the state agencies or departments contained therein ~~the act~~ or in
39 any fiscal year when the State Budget and Control Board orders
40 across the board cuts to state agencies and departments in the
41 manner provided by law, ~~no further transfer of deed recording fees~~
42 ~~or other appropriated funds, state or local, may be credited to the~~

1 ~~trust fund for the fiscal year or balance of the fiscal year, but~~
2 ~~existing balances in the trust fund may be used as provided by~~
3 ~~Chapter 59 of Title 48 of the 1976 Code the amount of deed~~
4 ~~recording fees transferred to the South Carolina Conservation~~
5 ~~Bank Trust Fund during that year must be reduced by the average~~
6 ~~percentage decrease in total general fund appropriations to those~~
7 ~~agencies receiving such a decrease in that general appropriations~~
8 ~~act or by the percentage amount of the across the board decrease or~~
9 ~~decreases imposed by the State Budget and Control Board on all~~
10 ~~agencies, whichever is applicable. If both decreases occur, the~~
11 ~~reduction to the Conservation Bank Trust Fund shall be a~~
12 ~~combination of all decreases.~~

13 (B) The provisions of subsection (A) of this section, as
14 amended by this act, apply on a fiscal year basis beginning with
15 fiscal year 2010.”

16
17 SECTION 2. SECTION 7 of Act 200 of 2002 is amended to read:

18
19 “SECTION 7. Chapter 59, Title 48 of the 1976 Code and Sections
20 2 through 6 of this act are repealed effective July 1, ~~2013~~ 2023,
21 unless reenacted or otherwise extended by the General Assembly.
22 However, the South Carolina Conservation Bank established by
23 this act may continue to operate as if Chapter 59, Title 49 of the
24 1976 Code was not repealed until the South Carolina Conservation
25 Bank Trust Fund is exhausted or July 1, ~~2016~~ 2026, whichever
26 first occurs. Any balance in that trust fund on July 1, ~~2016~~ 2026,
27 reverts to the general fund of the State. Repeal does not affect any
28 rights, obligations, liabilities, or debts due the South Carolina
29 Conservation Bank. For these purposes, after the bank’s
30 termination, the State Budget and Control Board is the bank’s
31 successor, except that, after the bank’s termination, the board’s
32 voting rights provided in the former provisions of Section
33 48-59-80(F), (G), (H), and (I) of the 1976 Code are devolved upon
34 the Department of Natural Resources Board, and any contribution
35 to the trust fund required pursuant to the former provisions of
36 Section 48-59-80(H) of the 1976 Code must be made to the
37 Heritage Trust Program.”

38
39 SECTION 3. This act takes effect upon approval by the Governor.

40 -----XX-----
41

REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(Merrill, Clyburn, JH Neal, Rice & A Young - Staff Contact: Ben Twilley)

HOUSE BILL 4430

H. 4430 -- Reps. Merrill, Lowe, Bingham, Hutto, Limehouse, Crawford, Harrell, Harrison and G.M. Smith: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12-43-218 SO AS TO PROVIDE THAT IF A MUNICIPALITY CONSISTS OF REAL PROPERTY LOCATED IN TWO OR MORE COUNTIES AND ONE OF THOSE COUNTIES BUT NOT ALL UNDERGOES AND IMPLEMENTS A COUNTYWIDE REASSESSMENT AND EQUALIZATION PROGRAM IN A PARTICULAR YEAR, ANY HIGHER REAL PROPERTY TAX VALUATIONS IN THAT COUNTY RESULTING FROM THE REASSESSMENT SHALL NOT APPLY FOR PURPOSES OF COMPUTING MUNICIPAL AD VALOREM TAXES UNTIL THE YEAR IN WHICH ALL OTHER COUNTIES IN THE MUNICIPALITY HAVE COMPLETED AND IMPLEMENTED SUCH A REASSESSMENT AND EQUALIZATION PROGRAM.

Summary of Bill:

This bill provides that if a municipality consists of real property located in two or more counties and one of those counties but not all undergoes and implements a countywide reassessment and equalization program in a particular year, any higher real property tax valuations in that county resulting from the reassessment shall not apply for purposes of computing municipal ad valorem taxes until the year in which all other counties in the municipality have completed and implemented such a reassessment and equalization program.

Amended: The bill was amended to allow a municipality that is overlapping into two counties to rollback the millage throughout the jurisdiction when each county reassesses.

Introduced: 1/27/2010

Received by Ways and Means: 1/27/2010

Estimated Fiscal Impact:

Pending

Subcommittee Recommendation:

3/11/10 Adjourned Debate
4/13/10 Favorable as Amended

Full Committee Recommendation:

Pending

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

CONE/MELTON
APRIL 13, 2010

CLERK OF THE HOUSE

THE PROPERTY TAX SUBCOMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO H. 4430 (DOCUMENTS
AND SETTINGS\BENTWILLEY\LOCAL
SETTINGS\TEMPORARY INTERNET
FILES\CONTENT.OUTLOOK\WESHEEM3\9721HTC10):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING ALL AFTER THE ENACTING WORDS AND
INSERTING:**

**/ SECTION 1. CHAPTER 43, TITLE 12 OF THE
1976 CODE IS AMENDED BY ADDING:**

**“SECTION 12-43-219. IF THE BOUNDARIES OF
A MUNICIPALITY EXTEND INTO MORE THAN ONE
COUNTY AND THOSE COUNTIES IMPLEMENT THE**

COUNTYWIDE APPRAISAL AND EQUALIZATION PROGRAMS REQUIRED PURSUANT TO SECTION 12-43-217 ON DIFFERENT SCHEDULES, THEN THE GOVERNING BODY OF THE MUNICIPALITY SHALL SET AN EQUIVALENT MILLAGE TO BE USED THEREAFTER TO COMPUTE MUNICIPAL AD VALOREM PROPERTY TAXES. THE EQUIVALENT MILLAGE TO BE SET BY THE MUNICIPAL GOVERNING BODY SHALL BE DETERMINED BY METHODOLOGY ESTABLISHED BY THE RESPECTIVE COUNTY AUDITORS WHICH SHALL BE CONSISTENT WITH THE METHODOLOGY FOR CALCULATING EQUIVALENT MILLAGE TO BE ESTABLISHED BY THE DEPARTMENT OF REVENUE FOR USE IN SUCH SITUATIONS, THE PURPOSE OF THIS SECTION BEING TO EQUALIZE THE TAX BURDENS WITHIN THIS MUNICIPALITY.”

**SECTION 2. THIS ACT TAKES EFFECT UPON APPROVAL BY THE GOVERNOR. /
RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**

South Carolina General Assembly
118th Session, 2009-2010

H. 4430

STATUS INFORMATION

General Bill

Sponsors: Reps. Merrill, Lowe, Bingham, Hutto, Limehouse, Crawford, Harrell, Harrison and G.M. Smith

Document Path: I:\council\bills\nbd\20789sd10.docx

Introduced in the House on January 27, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Municipal ad valorem taxes

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/27/2010	House	Introduced and read first time <u>HJ-10</u>
1/27/2010	House	Referred to Committee on Ways and Means <u>HJ-11</u>

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VERSIONS OF THIS BILL

1/27/2010

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A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12-43-218 SO AS TO PROVIDE THAT IF A MUNICIPALITY CONSISTS OF REAL PROPERTY LOCATED IN TWO OR MORE COUNTIES AND ONE OF THOSE COUNTIES BUT NOT ALL UNDERGOES AND IMPLEMENTS A COUNTYWIDE REASSESSMENT AND EQUALIZATION PROGRAM IN A PARTICULAR YEAR, ANY HIGHER REAL PROPERTY TAX VALUATIONS IN THAT COUNTY RESULTING FROM THE REASSESSMENT SHALL NOT APPLY FOR PURPOSES OF COMPUTING MUNICIPAL AD VALOREM TAXES UNTIL THE YEAR IN WHICH ALL OTHER COUNTIES IN THE MUNICIPALITY HAVE COMPLETED AND IMPLEMENTED SUCH A REASSESSMENT AND EQUALIZATION PROGRAM.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 3, Chapter 43, Title 12 of the 1976 Code is amended by adding:

“Section 12-43-218. If a municipality consists of real property located in two or more counties and one of those counties but not all undergoes and implements a countywide reassessment and equalization program in a particular year, any higher real property tax valuations in that county resulting from the reassessment shall not apply for purposes of computing municipal ad valorem taxes until the year in which all other counties in the municipality have completed and implemented such a reassessment and equalization program.”

1 SECTION 2. This act takes effect upon approval by the Governor,
2 and apply with respect to the 2009 calendar year and thereafter.
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REPORT OF THE LICENSES, FEES, INSURANCE TAX & OTHER CHARGES SUBCOMMITTEE

(Barfield, Kennedy, Limehouse, Loftis & MA Pitts - Staff Contact: Emily Heatwole)

HOUSE BILL 4717

H. 4717-- Rep. Cooper: A BILL TO AMEND SECTION 11-11-156, OF THE 1976 CODE, RELATING TO THE HOMESTEAD EXEMPTION FUND, TO DEFINE SCHOOL OPERATING PURPOSES; AND TO AMEND 12-37-220, RELATING TO THE PROPERTY TAX EXEMPTION ON TAXES IMPOSED FOR SCHOOL OPERATING PURPOSES FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY, TO DEFINE SCHOOL OPERATING PURPOSES AND TO SPECIFY THAT THE EXEMPTION DOES NOT EXTEND TO PAYMENTS MADE PURSUANT TO A FINANCING AGREEMENT.

Summary of Bill:

This bill will clarify the definition of school operations for the purposes of reimbursement under Homestead Exemption

Introduced: 3/9/2010

Received by Ways and Means: 3/10/2010

Estimated Fiscal Impact:

Pending

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

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A BILL

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11 TO AMEND SECTION 11-11-156, OF THE 1976 CODE,
12 RELATING TO THE HOMESTEAD EXEMPTION FUND, TO
13 DEFINE SCHOOL OPERATING PURPOSES; AND TO
14 AMEND 12-37-220, RELATING TO THE PROPERTY TAX
15 EXEMPTION ON TAXES IMPOSED FOR SCHOOL
16 OPERATING PURPOSES FOR OWNER-OCCUPIED
17 RESIDENTIAL PROPERTY, TO DEFINE SCHOOL
18 OPERATING PURPOSES AND TO SPECIFY THAT THE
19 EXEMPTION DOES NOT EXTEND TO PAYMENTS MADE
20 PURSUANT TO A FINANCING AGREEMENT.

21

22 Be it enacted by the General Assembly of the State of South
23 Carolina:

24

25 SECTION 1. Section 11-11-156(A)(1) of the 1976 Code is
26 amended to read:

27

28 “(1) Beginning with fiscal year 2007-2008, school districts of
29 this State must be reimbursed from the Homestead Exemption
30 Fund in the manner provided in this subsection. The
31 reimbursement due a school district for fiscal year 2007-2008 and
32 thereafter consists of three tiers. The tier one reimbursement is an
33 amount equal to the amount received by the district pursuant to the
34 provisions of Section 12-37-251 as those provisions applied for
35 fiscal year 2006-2007. The tier one reimbursement is fixed at the
36 fiscal year 2006-2007 amount and continues into succeeding fiscal
37 years at this fixed amount. The tier two reimbursement is the
38 amount to be received by the district pursuant to the provisions of
39 Section 12-37-270 for fiscal year 2006-2007 for the school
40 operating millage portion of the reimbursement for the homestead
41 exemption allowed pursuant to Section 12-37-250. The tier two
42 reimbursement is fixed at this fiscal year 2006-2007 amount and

1 continues into succeeding fiscal years at this fixed amount. The
2 tier three reimbursement is derived from the revenue of the tax
3 imposed pursuant to Article 11, Chapter 36 of Title 12, and for
4 fiscal year 2007-2008, consists of an amount equal dollar for dollar
5 to the revenue that would be collected by the district from property
6 tax for school operating purposes imposed by the district on
7 owner-occupied residential property for that fiscal year as if no
8 reimbursed exemptions applied, plus an amount that a district may
9 have received in its fiscal year 2006-2007 reimbursements
10 pursuant to Section 12-37-251 in excess of the computed amount
11 of that exemption from school operating millage for that year,
12 reduced by the total of the district's tier one and tier two
13 reimbursements.

14 For purposes of this subsection, 'school operating purposes'
15 means the general day-to-day operations of the school, including,
16 but not limited to, instructional services and programs, student
17 services, staff services, public utility services, repairs and
18 maintenance services, insurance, transportation services, and food
19 service. 'School operating purposes' does not include
20 expenditures for site acquisitions, capital improvements, payments
21 made pursuant to a financing agreement as defined in Section
22 11-27-110(A)(6), or any other agreement which in substance is a
23 financing agreement for capital improvements or that generates
24 funds to pay for capital improvements or site acquisitions."
25

26 SECTION 2. Section 12-37-220(B)(47)(a) of the 1976 Code is
27 amended to read:
28

29 "(a) Effective for property tax years beginning after 2006 and to
30 the extent not already exempt pursuant to Section 12-37-250, one
31 hundred percent of the fair market value of owner-occupied
32 residential property eligible for and receiving the special
33 assessment ratio allowed owner-occupied residential property
34 pursuant to Section 12-43-220(c) is exempt from all property taxes
35 imposed for school operating purposes but not including millage
36 imposed for the repayment of general obligation debt and
37 payments made pursuant to a financing agreement as defined in
38 Section 11-27-110(A)(6) or any other agreement which in
39 substance is a financing agreement for capital improvements or
40 that generates funds to pay for capital improvements or site
41 acquisitions.

42 For purposes of this subitem, 'school operating purposes' means
43 the general day-to-day operations of the school, including, but not

1 limited to, instructional services and programs, student services,
2 staff services, public utility services, repairs and maintenance
3 services, insurance, transportation services, and food service.
4 'School operating purposes' does not include expenditures for site
5 acquisitions, capital improvements, payments made pursuant to a
6 financing agreement as defined in Section 11-27-110(A)(6), or any
7 other agreement which in substance is a financing agreement for
8 capital improvements or that generates funds to pay for capital
9 improvements or site acquisitions."

10

11 SECTION 3. This act takes effect upon approval by the Governor
12 and applies to all property tax years beginning after December 31,
13 2006. For purposes of determining reimbursement amounts
14 pursuant to Section 11-11-156, the amendments contained in this
15 act must be applied.

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REPORT OF THE SALES AND INCOME TAX SUBCOMMITTEE

(Littlejohn, Battle, Edge, Lucas & Simrill - Staff Contact: Emily Heatwole)

HOUSE BILL 3748

H. 3748 -- Reps. Duncan, Clemmons and Chalk: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-20-24 SO AS TO PROVIDE THAT THE VALUE OF OWNER OCCUPIED PROPERTY MUST BE INCLUDED IN THE CALCULATION OF THE INDEX OF TAXPAYING ABILITY UNTIL A PERMANENT CHANGE IN THE METHOD OF ITS CALCULATION IS ENACTED; AND TO CREATE THE INDEX OF TAXPAYING ABILITY STUDY COMMITTEE, TO PROVIDE FOR ITS MEMBERSHIP AND ITS PURPOSE, AND TO REQUIRE THE COMMITTEE TO REPORT ITS FINDINGS TO THE GENERAL ASSEMBLY BY JANUARY 10, 2010, UPON WHICH DATE THE COMMITTEE SHALL DISSOLVE.

Summary of Bill:

To provide that the value of owner occupied property must be included in the calculation of the Index of Taxpaying Ability until a permanent change in the method of its calculation is enacted; and to create the Index of Taxpaying Ability Study Committee, to provide for its membership and its purpose, and to require the committee to report its findings to the General Assembly by January 10, 2010 upon which date the committee shall dissolve

Introduced: 3/24/2009

Received by Ways and Means: 4/1/2009

Estimated Fiscal Impact:

Attached

Subcommittee Recommendation:

Favorable with amendment

Full Committee Recommendation:

Pending

Other Notes/Comments:

This Index will affect the EFA allocations to districts in Fiscal Year 2010-11

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

Hray/DOWNEY
APRIL 21, 2009

CLERK OF THE HOUSE

THE SALES AND INCOME TAX SUBCOMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO H. 3748
(DOCUME~1\EMILYH~1\LOCALS~1\TEMP\XPGRPWISE\11444BH09):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED,
SECTION 2, SUBSECTION (B), AS CONTAINED ON
PAGES 1 THROUGH 2, BY DELETING THE
SUBSECTION IN ITS ENTIRETY AND INSERTING:**

**/(B) THE COMMITTEE MUST BE COMPOSED OF:
(1)TWO REPRESENTATIVES FROM THE
DEPARTMENT OF REVENUE, APPOINTED BY THE
DIRECTOR OF THE DEPARTMENT OF REVENUE;**

(2) TWO REPRESENTATIVES FROM THE OFFICE OF RESEARCH AND STATISTICS, APPOINTED BY THE CHIEF ECONOMIST OF THE STATE;

(3) THREE INDIVIDUALS WITH EXPERIENCE IN BUSINESS, FINANCE, AND ECONOMICS, APPOINTED BY THE CHIEF ECONOMIST OF THE STATE;

(4) THREE REPRESENTATIVES OF THE BUSINESS AND EDUCATION COMMUNITIES, INCLUDING DISTRICT SUPERINTENDENTS AND DISTRICT BOARD OF TRUSTEES MEMBERS, APPOINTED BY THE STATE SUPERINTENDENT OF EDUCATION; AND

(5) THE CHIEF ECONOMIST OF THE STATE, WHO SHALL SERVE AS CHAIRMAN OF THE COMMITTEE./

**RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**

South Carolina Office of Research and Statistics

Statement of Estimated Local Revenue Impact

Date: April 20, 2009

Bill Number: H.B. 3748

Authors: Duncan, Clemmons and Chalk

Committee Requesting Impact: House Ways and Means

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section 59-20-24 so as to provide that the value of owner occupied property must be included in the calculation of the index of taxpaying ability until a permanent change in the method of its calculation is enacted; and to create the Index of Taxpaying Ability Study Committee, to provide for its membership and its purpose, and to require the committee to report its findings to the General Assembly by January 10, 2010, upon which date the committee shall dissolve.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues. Local revenues to school districts will not change in total but will be redistributed amongst the school districts. The attached table details the changes that are projected to occur by school district using Tax Year 2007 numbers.

Explanation

Under current law the value of owner occupied residential property is included in the calculation of the index of taxpaying ability. However, since all owner-occupied homes are exempt from property taxes for school operating purposes as a result of Act 388 of 2006, the Department of Revenue is planning on no longer including the value of owner occupied homes in the calculation of the index of taxpaying ability. This change will have no effect on the total amount of money that goes to school districts. It will change the amounts individual school districts receive. The attached table shows the amount of money each school district is projected to receive if owner occupied homes are included in the index and the amount of money each school district is projected to receive if owner occupied homes are not included in the index using Tax Year 2007 numbers.

/s/ WILLIAM C. GILLESPIE, Ph.D.

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Gibson

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**PROJECTION OF FY 2011 EFA ALLOCATION - USING FINAL ITA AS PROVIDED BY THE SCDOR
(02/01/2010) AND FY 2010 ITA ADJUSTED FOR BEAUFORT**

DRAFT

A	B	C	D	E	F	G	H
					BSC =	\$1,630.00	\$1,630.00
DISTRICT NUMBER	DISTRICT	FY2010 DTI = DOR FEB2009 UNADJUSTED	FY2010 WPU 45DAY	FY2010 DTI = DOR FEB2009 ADJUSTED FOR BEAUFORT	FY2011 DTI = DOR FEB2010 FINAL LESS 4%	FY2011 PROJECTED EFA: DTI=DOR-FEB2009 ADJ FOR BEAUFORT; BSC=\$1,630; WPU=45DAY- FY2010	FY2011 PROJECTED EFA: DTI=DOR-FEB2010 BSC=\$1,630; WPU=45DAY- FY2010
0180	ABBEVILLE	0.00275	3,916.81	0.00277	0.00288	\$5,214,850	\$5,252,849
0201	AIKEN	0.02237	28,440.29	0.02255	0.02474	\$38,466,602	\$37,541,939
0301	ALLEDALE	0.00099	1,917.59	0.00100	0.00121	\$2,703,451	\$2,614,785
0401	ANDERSON 1	0.00765	11,202.01	0.00771	0.00727	\$15,003,957	\$15,189,734
0402	ANDERSON 2	0.00262	4,719.03	0.00264	0.00231	\$6,577,357	\$6,716,690
0403	ANDERSON 3	0.00186	3,304.78	0.00187	0.00195	\$4,597,239	\$4,563,462
0404	ANDERSON 4	0.00500	3,552.66	0.00504	0.00491	\$3,662,845	\$3,717,733
0405	ANDERSON 5	0.01345	15,167.41	0.01356	0.01278	\$18,987,589	\$19,326,901
0501	BAMBERG 1	0.00078	1,811.81	0.00079	0.00082	\$2,619,370	\$2,606,704
0502	BAMBERG 2	0.00055	1,077.07	0.00055	0.00060	\$1,523,403	\$1,502,292
0619	BARNWELL 19	0.00046	1,025.96	0.00046	0.00058	\$1,478,093	\$1,427,427
0629	BARNWELL 29	0.00067	1,224.44	0.00068	0.00076	\$1,708,727	\$1,674,950
0645	BARNWELL 45	0.00137	3,055.99	0.00138	0.00151	\$4,398,599	\$4,343,711
0701	BEAUFORT	0.09748	23,410.88	0.09038	0.08963	\$0	\$315,789
0801	BERKELEY	0.03254	35,236.81	0.03280	0.03289	\$43,587,170	\$43,549,170
0901	CALHOUN	0.00354	2,015.63	0.00357	0.00479	\$1,778,150	\$1,263,041
1001	CHARLESTON	0.15064	50,349.02	0.15183	0.13486	\$17,963,172	\$25,128,253
1101	CHEROKEE	0.00748	10,856.58	0.00754	0.00880	\$14,512,683	\$13,980,685
1201	CHESTER	0.00482	6,804.94	0.00486	0.00541	\$9,040,061	\$8,807,840
1301	CHESTERFIELD	0.00490	9,377.13	0.00494	0.00597	\$13,198,953	\$12,764,066
1401	CLARENDON 1	0.00174	1,098.26	0.00175	0.00163	\$1,051,278	\$1,101,944
1402	CLARENDON 2	0.00256	3,924.16	0.00258	0.00244	\$5,307,052	\$5,368,163
1403	CLARENDON 3	0.00043	1,525.45	0.00043	0.00038	\$2,304,929	\$2,326,040
1501	COLLETON	0.00980	7,617.98	0.00988	0.00980	\$8,245,769	\$8,279,547
1601	DARLINGTON	0.00974	13,381.42	0.00982	0.01112	\$17,665,510	\$17,118,623
1701	DILLON 1	0.00039	1,048.54	0.00039	0.00040	\$1,544,454	\$1,540,232
1702	DILLON 2	0.00203	4,150.52	0.00205	0.00240	\$5,899,796	\$5,752,019
1703	DILLON 3	0.00074	2,028.82	0.00075	0.00083	\$2,990,311	\$2,958,534
1802	DORCHESTER 2	0.01969	27,114.09	0.01984	0.01876	\$35,819,113	\$37,119,552
1804	DORCHESTER 4	0.00270	2,690.77	0.00272	0.00302	\$3,237,515	\$3,110,849
1901	EDGEFIELD	0.00327	4,802.34	0.00330	0.00323	\$6,434,487	\$6,464,042
2001	FAIRFIELD	0.00555	3,783.16	0.00559	0.00691	\$3,806,338	\$3,249,007
2101	FLORENCE 1	0.01685	19,213.45	0.01698	0.01790	\$24,148,620	\$23,780,177
2102	FLORENCE 2	0.00062	1,577.45	0.00062	0.00067	\$2,309,467	\$2,288,356
2103	FLORENCE 3	0.00228	4,453.89	0.00230	0.00268	\$8,288,734	\$6,128,290
2104	FLORENCE 4	0.00099	1,067.96	0.00100	0.00118	\$1,318,554	\$1,242,555
2105	FLORENCE 5	0.00068	1,858.34	0.00069	0.00069	\$2,737,782	\$2,737,782
2201	GEORGETOWN	0.02910	11,882.67	0.02933	0.02976	\$6,985,026	\$6,803,471
2301	GREENVILLE	0.08263	86,959.87	0.08328	0.08653	\$106,581,743	\$105,209,526

DISTRICT NUMBER	DISTRICT	FY2010 DTI = DOR FEB2009 UNADJUSTED	FY2010 WPU 45DAY	FY2010 DTI = DOR FEB2009 ADJUSTED FOR BEAUFORT	FY2011 DTI = DOR FEB2010 FINAL LESS 4%	FY2011 PROJECTED EFA: DTI=DOR-FEB2009 ADJ FOR BEAUFORT; BSC=\$1,830; WPU=45DAY- FY2010	FY2011 PROJECTED EFA: DTI=DOR-FEB2010 BSC=\$1,830; WPU=45DAY- FY2010	
2450	GREENWOOD 50	0.00847	10,908.20	0.00854	0.00903	\$14,174,603	\$13,967,715	(\$208,888)
2451	GREENWOOD 51	0.00063	1,345.86	0.00063	0.00066	\$1,827,753	\$1,915,086	(\$12,667)
2452	GREENWOOD 52	0.00250	1,925.87	0.00252	0.00383	\$2,075,173	\$1,522,064	(\$553,109)
2501	HAMPTON 1	0.00139	3,085.79	0.00140	0.00157	\$4,438,729	\$4,366,952	(\$71,777)
2502	HAMPTON 2	0.00060	1,357.16	0.00060	0.00075	\$1,958,839	\$1,895,505	(\$63,334)
2601	HORRY	0.11082	46,391.05	0.11169	0.10961	\$28,459,609	\$29,337,828	\$878,219
2701	JASPER	0.00536	3,838.69	0.00540	0.00720	\$3,977,074	\$3,217,077	(\$759,997)
2801	KERSHAW	0.00931	12,621.24	0.00938	0.00893	\$16,612,193	\$16,802,193	\$190,000
2901	LANCASTER	0.01115	14,273.34	0.01124	0.01208	\$18,519,786	\$18,160,899	(\$358,887)
3055	LAURENS 55	0.00392	7,131.91	0.00395	0.00450	\$9,957,243	\$9,725,021	(\$232,222)
3056	LAURENS 56	0.00202	3,883.37	0.00204	0.00247	\$5,468,563	\$5,287,009	(\$181,554)
3101	LEE	0.00157	2,974.72	0.00158	0.00174	\$4,181,685	\$4,114,130	(\$67,555)
3201	LEXINGTON 1	0.01921	27,144.21	0.01936	0.01555	\$36,070,874	\$37,679,534	\$1,608,660
3202	LEXINGTON 2	0.01061	11,009.84	0.01089	0.01157	\$13,432,503	\$13,080,949	(\$371,554)
3203	LEXINGTON 3	0.00205	2,401.59	0.00207	0.00191	\$3,040,595	\$3,108,151	\$67,556
3204	LEXINGTON 4	0.00143	4,041.91	0.00144	0.00139	\$5,980,316	\$6,001,427	\$21,111
3205	LEXINGTON 5	0.01967	20,419.67	0.01982	0.01562	\$24,915,653	\$26,688,979	\$1,773,326
3301	McCORMICK	0.00196	1,023.51	0.00198	0.00192	\$832,325	\$857,658	\$25,333
3401	MARION 1	0.00171	3,449.26	0.00172	0.00181	\$4,896,075	\$4,858,075	(\$38,000)
3402	MARION 2	0.00115	2,281.01	0.00116	0.00112	\$3,228,271	\$3,245,159	\$16,888
3407	MARION 7	0.00051	886.09	0.00051	0.00051	\$1,228,994	\$1,228,994	\$0
3501	MARLBORO	0.00292	5,516.56	0.00294	0.00371	\$7,750,665	\$7,425,555	(\$325,110)
3601	NEWBERRY	0.00615	7,131.27	0.00620	0.00565	\$9,006,203	\$9,238,425	\$232,222
3701	OCONEE	0.02167	13,161.14	0.02184	0.02632	\$12,231,364	\$10,339,816	(\$1,891,548)
3803	ORANGEBURG 3	0.00319	3,727.12	0.00322	0.00283	\$4,715,656	\$4,880,322	\$164,666
3804	ORANGEBURG 4	0.00289	4,840.41	0.00291	0.00325	\$6,661,207	\$6,517,652	(\$143,555)
3805	ORANGEBURG 5	0.00757	8,142.09	0.00763	0.00827	\$10,050,065	\$9,779,844	(\$270,221)
3901	PICKENS	0.01822	20,150.52	0.01836	0.01903	\$25,093,380	\$24,810,492	(\$282,888)
4001	RICHLAND 1	0.03652	29,388.38	0.03681	0.03822	\$32,361,125	\$31,765,794	(\$595,331)
4002	RICHLAND 2	0.02143	30,100.69	0.02160	0.01912	\$39,944,163	\$40,991,270	\$1,047,107
4101	SALUDA	0.00189	2,575.46	0.00190	0.00196	\$3,395,781	\$3,370,448	(\$25,333)
4201	SPARTANBURG 1	0.00403	6,095.37	0.00406	0.00313	\$8,221,238	\$8,613,903	\$392,665
4202	SPARTANBURG 2	0.00700	11,791.93	0.00706	0.00623	\$16,239,970	\$16,590,412	\$350,442
4203	SPARTANBURG 3	0.00284	3,698.46	0.00286	0.00318	\$4,820,939	\$4,685,829	(\$135,110)
4204	SPARTANBURG 4	0.00207	3,583.99	0.00209	0.00193	\$4,959,463	\$5,027,018	\$67,555
4205	SPARTANBURG 5	0.00906	9,203.48	0.00913	0.01076	\$11,146,816	\$10,458,597	(\$688,219)
4206	SPARTANBURG 6	0.01098	12,499.33	0.01107	0.01233	\$15,699,928	\$15,167,930	(\$531,998)
4207	SPARTANBURG 7	0.00906	9,008.70	0.00913	0.00952	\$10,829,308	\$10,664,642	(\$164,666)
4302	SUMTER 2	0.00625	10,511.99	0.00630	0.00705	\$14,474,555	\$14,157,890	(\$316,665)
4317	SUMTER 17	0.00654	10,241.46	0.00659	0.00702	\$13,911,147	\$13,729,592	(\$181,555)
4401	UNION	0.00286	5,601.79	0.00288	0.00320	\$7,914,923	\$7,779,812	(\$135,111)
4501	WILLAMSBURG	0.00379	6,495.09	0.00382	0.00498	\$8,974,115	\$8,484,339	(\$489,776)
4601	YORK 1	0.00388	6,357.30	0.00391	0.00376	\$8,711,517	\$8,774,850	\$63,333
4602	YORK 2	0.01158	7,713.08	0.01167	0.01405	\$7,645,008	\$6,640,123	(\$1,004,885)
4603	YORK 3	0.01738	21,751.18	0.01752	0.01777	\$28,057,121	\$27,951,566	(\$105,555)
4604	YORK 4	0.01048	12,105.47	0.01056	0.01015	\$15,273,268	\$15,446,379	\$173,111
	STATE TOTAL	1.00000	863,431.94	1.00000	1.00000	\$985,174,490	\$985,173,615	

COLUMN G ESTIMATE USING FY 2010 ITA ADJUSTED FOR BEAUFORT

COLUMN H ESTIMATE USING FY 2011 ITA AS PROVIDED BY SCDOR 2/1/2010

FISCAL IMPACT STATEMENT ON BILL NO. **H. 3748**
(Doc. No. Unknown)

TO:	The Honorable Daniel T. Cooper, Chairperson, House Ways & Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYST:	Trey Kannaday		
DATE:	April 21, 2009	SBD:	2009442

AUTHOR:	Representative Duncan	PRIMARY CODE CITE:	59-20-24
SUBJECT:	Index of Taxpaying Ability		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 3748 adds Section 59-20-24 of the Code of Laws of South Carolina, 1976, to provide that the value of owner occupied property must be included in the calculation of the index of taxpaying ability until a permanent change in the method of its calculation is enacted. There is also created an index of taxpaying ability study committee.

EXPLANATION OF IMPACT:

This Bill will have no fiscal impact on the General Fund of the State. Section I of the Bill requires the value of owner occupied residential property to be included in the calculation of the index of taxpaying ability until a permanent change in the method of computation of the index of taxpaying ability is enacted by the General Assembly. Although this will not affect the overall revenues, it will change the distribution of funds among local school districts.

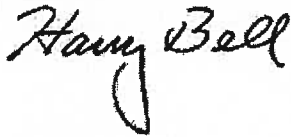
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

This Bill will have minimal fiscal impact on school districts which have representatives participating on the Index of Taxpaying Ability Study Committee.

Approved by:



Harry Bell
Assistant Director, Office of State Budget

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A BILL

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11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,
12 1976, BY ADDING SECTION 59-20-24 SO AS TO PROVIDE
13 THAT THE VALUE OF OWNER OCCUPIED PROPERTY
14 MUST BE INCLUDED IN THE CALCULATION OF THE
15 INDEX OF TAXPAYING ABILITY UNTIL A PERMANENT
16 CHANGE IN THE METHOD OF ITS CALCULATION IS
17 ENACTED; AND TO CREATE THE INDEX OF TAXPAYING
18 ABILITY STUDY COMMITTEE, TO PROVIDE FOR ITS
19 MEMBERSHIP AND ITS PURPOSE, AND TO REQUIRE THE
20 COMMITTEE TO REPORT ITS FINDINGS TO THE
21 GENERAL ASSEMBLY BY JANUARY 10, 2010, UPON
22 WHICH DATE THE COMMITTEE SHALL DISSOLVE.

23

24 Be it enacted by the General Assembly of the State of South
25 Carolina:

26

27 SECTION 1. Chapter 20, Title 59 of the 1976 Code is amended
28 by adding:

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30 "Section 59-20-24. Notwithstanding Section 59-20-20, the value
31 of owner occupied residential property must be included in the
32 calculation of the index of taxpaying ability until a permanent
33 change in the method of computation of the index of taxpaying
34 ability is enacted by the General Assembly."

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36 SECTION 2. (A) There is created the Index of Taxpaying Ability
37 Study Committee. This committee shall examine the index of
38 taxpaying ability and its relationship to resources available to the
39 individual school districts in support of the education program
40 required by the State and shall review previous recommended
41 changes for determining local shares.

42

(B) The committee must be composed of:

1 (1) representatives from the Department of Revenue and the
2 Office of Research and Statistics, appointed by the Chief
3 Economist of the State;

4 (2) individuals with experience in business, finance, and
5 economics, appointed by the Chief Economist of the State; and

6 (3) representatives of the business and education
7 communities, including district superintendents and district board
8 of trustees members, appointed by the State Superintendent of
9 Education.

10 (C) The members of the committee may not receive
11 compensation and are not entitled to receive mileage, subsistence,
12 and per diem authorized by law for members of state boards and
13 committees.

14 (D) The committee shall report its findings to the General
15 Assembly by January 1, 2010, and shall recommend the
16 appropriate method to be used as the measure of relative school
17 district ability to support the education foundation program. The
18 committee shall dissolve upon the date of its report.

19
20 SECTION 3. This act takes effect upon approval by the Governor.

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HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

Hray/Downey
April 21, 2009

CLERK OF THE HOUSE

THE SALES AND INCOME TAX SUBCOMMITTEE PROPOSES THE FOLLOWING AMENDMENT No. TO H. 3748 (H-WM\EMILY\FY 10-11\LEGISLATION\3748\11444BH09):

REFERENCE IS TO THE BILL AS INTRODUCED.

AMEND THE BILL, AS AND IF AMENDED, SECTION 2, SUBSECTION (B), AS CONTAINED ON PAGES 1 THROUGH 2, BY DELETING THE SUBSECTION IN ITS ENTIRETY AND INSERTING:

/(B) THE COMMITTEE MUST BE COMPOSED OF:

(1)TWO REPRESENTATIVES FROM THE DEPARTMENT OF REVENUE, APPOINTED BY THE DIRECTOR OF THE DEPARTMENT OF REVENUE;

(2)TWO REPRESENTATIVES FROM THE OFFICE OF RESEARCH AND STATISTICS,

APPOINTED BY THE CHIEF ECONOMIST OF THE STATE;

(3)THREE INDIVIDUALS WITH EXPERIENCE IN BUSINESS, FINANCE, AND ECONOMICS, APPOINTED BY THE CHIEF ECONOMIST OF THE STATE;

(4)THREE REPRESENTATIVES OF THE BUSINESS AND EDUCATION COMMUNITIES, INCLUDING DISTRICT SUPERINTENDENTS AND DISTRICT BOARD OF TRUSTEES MEMBERS, APPOINTED BY THE STATE SUPERINTENDENT OF EDUCATION; AND

(5)THE CHIEF ECONOMIST OF THE STATE, WHO SHALL SERVE AS CHAIRMAN OF THE COMMITTEE./

RENUMBER SECTIONS TO CONFORM.

AMEND TITLE TO CONFORM.

REPORT OF THE LICENSES, FEES, INSURANCE TAX & OTHER CHARGES SUBCOMMITTEE

(Barfield, Kennedy, Limehouse, Loftis & MA Pitts - Staff Contact: Emily Heatwole)

HOUSE BILL 4222

H. 4222-- Reps. M.A. Pitts, Daning and Wylie: A JOINT RESOLUTION PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE XVII OF THE CONSTITUTION OF SOUTH CAROLINA, 1895, RELATING TO THE PROHIBITION ON LOTTERIES AND THE EXCEPTIONS TO THIS PROHIBITION, BY ADDING A NEW PARAGRAPH SO AS TO PROVIDE THAT THE GENERAL ASSEMBLY SHALL ENACT A GENERAL LAW AUTHORIZING A CHARITABLE ORGANIZATION TO CONDUCT A RAFFLE, AND WHICH DEFINES THE TYPE OF ORGANIZATION ALLOWED TO CONDUCT A RAFFLE, PROVIDES THE STANDARDS FOR THE CONDUCT AND MANAGEMENT OF THE RAFFLE, PROVIDES PENALTIES FOR VIOLATIONS, AND ENSURES THE PROPER FUNCTIONING, HONESTY, INTEGRITY, AND CHARITABLE PURPOSES FOR WHICH THE RAFFLE IS CONDUCTED, AND TO PROVIDE THAT A RAFFLE CONDUCTED IN CONFORMITY WITH LAWS ENACTED PURSUANT TO THIS PARAGRAPH IS NOT CONSIDERED A LOTTERY PROHIBITED BY THE CONSTITUTION.

Summary of Bill:

This joint resolution would permit the General Assembly to amend the Constitution to permit certain charitable organization to conduct raffles. This would also require that this question be put on a referendum in the next general election.

Introduced: 1/12/2010

Received by Ways and Means: 1/12/2010

Estimated Fiscal Impact:

Pending - BEA - 3/5/2010

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

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9 **A JOINT RESOLUTION**

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11 PROPOSING AN AMENDMENT TO SECTION 7, ARTICLE
12 XVII OF THE CONSTITUTION OF SOUTH CAROLINA, 1895,
13 RELATING TO THE PROHIBITION ON LOTTERIES AND
14 THE EXCEPTIONS TO THIS PROHIBITION, BY ADDING A
15 NEW PARAGRAPH SO AS TO PROVIDE THAT THE
16 GENERAL ASSEMBLY SHALL ENACT A GENERAL LAW
17 AUTHORIZING A CHARITABLE ORGANIZATION TO
18 CONDUCT A RAFFLE, AND WHICH DEFINES THE TYPE OF
19 ORGANIZATION ALLOWED TO CONDUCT A RAFFLE,
20 PROVIDES THE STANDARDS FOR THE CONDUCT AND
21 MANAGEMENT OF THE RAFFLE, PROVIDES PENALTIES
22 FOR VIOLATIONS, AND ENSURES THE PROPER
23 FUNCTIONING, HONESTY, INTEGRITY, AND
24 CHARITABLE PURPOSES FOR WHICH THE RAFFLE IS
25 CONDUCTED, AND TO PROVIDE THAT A RAFFLE
26 CONDUCTED IN CONFORMITY WITH LAWS ENACTED
27 PURSUANT TO THIS PARAGRAPH IS NOT CONSIDERED A
28 LOTTERY PROHIBITED BY THE CONSTITUTION.

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30 Be it enacted by the General Assembly of the State of South
31 Carolina:

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33 SECTION 1. It is proposed that Section 7, Article XVII of the
34 Constitution of this State be amended by adding a new paragraph
35 at the end to read:

36
37 “The General Assembly shall enact a general law authorizing a
38 charitable organization to conduct a raffle. The law must define
39 the type of charitable organization authorized to conduct the raffle,
40 provide standards for the management and conduct of the raffle,
41 provide penalties for violations, and ensure the proper functioning,
42 honesty, integrity, and charitable purposes for which the raffle is

1 conducted. A raffle conducted in conformity with the laws enacted
2 pursuant to this paragraph is not considered a lottery prohibited by
3 this section.”

4

5 SECTION 2. The proposed amendment must be submitted to the
6 qualified electors at the next general election for representatives.
7 Ballots must be provided at the various voting precincts with the
8 following words printed or written on the ballot:

9

10 “Must Section 7, Article XVII of the Constitution of this State
11 be amended so as to provide that the General Assembly shall enact
12 a general law authorizing a charitable organization to conduct a
13 raffle and which defines the type of organization authorized to
14 conduct a raffle, provides standards for the management and
15 conduct of a raffle, provides penalties for violations, and ensures
16 the proper functioning, honesty, integrity, and charitable purpose
17 for which the raffle is conducted, and to provide that a raffle
18 conducted in conformity with the laws enacted pursuant to this
19 paragraph is not considered a lottery prohibited by the
20 Constitution?

21

22 Yes ☐

23

24 No ☐

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26 Those voting in favor of the question shall deposit a ballot with a
27 check or cross mark in the square after the word ‘Yes’, and those
28 voting against the question shall deposit a ballot with a check or
29 cross mark in the square after the word ‘No’.”

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